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TODAY: LOW CLOUDY Mostly Cloudy, Mild With Rain Possible

Princes William, Harry and Charles walking beside a sea of flowers for Diana at Kensington Palace.

Athens Wins 2004 Games

Olympics Go to Greece in Deal With Mandela

By Ian Thomsen
International Herald Tribune

LAUSANNE, Switzerland — After fretting and doubting itself for seven years, which is not a long time by Greek standards, the International Olympic Committee reversed an earlier decision and awarded the 2004 Summer Olympic Games to Athens by a huge margin.

Many experts within the Olympic movement had expected that these Games would go to Rome. But Athens won every round of voting as Buenos Aires, followed by Stockholm, and then Cape Town, were eliminated from the election. On the final ballot, with just the two ancient rivals left standing, Athens won, 66 votes to 41 for Rome — the result of a deal the Greeks worked out with the South African president, Nelson Mandela.

Not only have the IOC delegates completed an Olympic ring of a kind by returning the world's richest sporting prize to its original home, they have also opened doors that would have remained shut if Rome or Stockholm had been chosen. With this election the IOC decidedly moved away from the almost perfect setting that Rome would have provided and taken its heavily-sponsored treasure to a city with some rather obvious pollution and traffic problems — the kind found commonly throughout much of the urban world.

It will be Athens's responsibility to solve those problems and stage, by its own unique standards, a spectacular Games that will eventually help steer the Olympics to Africa and South America for the first time. To that end, the IOC can take some credit for having given Athens a kick in the pants seven years ago.

It was in 1990 that the Greeks, having given birth to the ancient and modern Olympics, took it for granted that they would be invited to hold the Centennial Olympic Games. Instead those Games took place last summer, somewhat disastrously, in Atlanta, a decision that has forever since been second-guessed within the Olympic movement. At first the Greeks reacted with outrage to that decision. By the time they had regathered for a final presentation before the IOC Friday morning, that outrage had been distilled to a single reasoned, determined and feminine voice.

As Roman officials had feared, the most dynamic figure in this two-year-long election turned out to be Gianna Angelopoulos-Daskalaki, the chief executive of the new Atheni-

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Israel Freezes Troop Withdrawals

By John Lancaster
Washington Post Service

JERUSALEM — Israel announced a freeze Friday on further troop withdrawals from the West Bank, a day after three Palestinians suicide bombers blew up themselves and four Israelis in a busy outdoor shopping mall here.

After meeting with his cabinet, Prime Minister Benjamin Netanyahu said that Israel would not honor commitments to redeploy troops in the West Bank until the Palestinian Authority, led by Yasser Arafat, cracked down on Islamic extremists operating from areas under its control.

The declaration added to a sense of crisis in Israel's relations with its Arab neighbors, including Lebanon, where 11 Israeli commandos were killed Friday morning in a clash with Shiite Muslim guerrillas and Lebanese Army soldiers during a raid near the port city of Sidon. The incident was the worst of its kind in more than a decade and came just hours after the bombing

Thursday, which killed three schoolgirls and a 20-year-old man on busy Ben-Yehuda Street as well as the three bombers .

The flare-up on both the Palestinian and Lebanese fronts could hardly have come at a more sensitive time for the Clinton administration. Secretary of state Madeleine Albright is to arrive here next week in an effort to revive the stalled Middle East peace process.

In particular, Mrs. Albright is expected to focus on security cooperation between the Palestinians and Israelis, which has undergone a marked deterioration since Mr. Netanyahu's decision to proceed with a huge Jewish housing development on a hilltop in traditionally Arab East Jerusalem.

The cabinet statement also warned that Israel was prepared to send commando teams into Palestinian territory to catch wanted terrorists, according to a statement issued after the meeting. The prospect of such raids has raised fears of armed clashes between Israeli troops and Palestinian security forces.

"We can't have a situation in which we are asked to hand over more land to the Palestinian Authority at a time when they are not fighting terror," Mr. Netanyahu said after the meeting. Islamic militants "have operated from areas" under Mr. Arafat's control, he continued. "We expect him to act immediately in a different fashion."

In Gaza, Palestinian officials insisted that they were doing everything they could to catch those responsible for Thursday's blast as well as those behind the July 30 bombing of a West Jerusalem produce market that killed 17 people, including two suicide bombers. They accused Mr. Netanyahu of using the bombings as a pretext for abandoning the Oslo accords calling for gradual Israeli troop withdrawals from the West

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'Trying to Cope'

Queen Pays Tribute to Diana In TV Message of Mourning

By Tom Buerkle
International Herald Tribune

LONDON — Moving dramatically Friday to reconcile the royal family and a nation in mourning, Queen Elizabeth II paid tribute to Diana, the Princess of Wales, as "an exceptional and gifted human being."

"We have all been trying in our different ways to cope," she said in an unusual live broadcast.

"It is not easy to express a sense of loss, since the initial shock is often succeeded by a mixture of other feelings: disbelief, incomprehension, anger — and concern for those who remain."

Her address came shortly after people in the streets had reached out directly to Diana's sons, Prince William and Prince Harry, and to herself and Prince Charles outside the palaces that have been a focus for an immense public tribute.

Unlike the formal interiors from which the queen usually speaks, she made this address from the Chinese Dining Room on the second floor of Buckingham Palace, overlooking the Queen Victoria Memorial and the Mall. The flowers and the people milling about could be seen in the background as she spoke.

"In good times and bad, she never lost her capacity to smile and laugh, nor to inspire others with her warmth and kindness," the queen said.

"I admired and respected her — for her energy and commitment to others, and especially for her devotion to her two boys."

The sons, William, 15, and Harry, 12, returned here earlier Friday from Balmoral, Scotland, with their father, Charles, to pay their respects before Diana's coffin and thank some of the thousands of mourners lining up outside royal palaces.

The two boys appeared composed but deeply moved by the public outpouring of emotion as they went first to Kensington Palace, their home until the 1992 separation of Charles and Diana. The princes stood in awe for a few moments before the sea of flowers in front of the palace gates, reading some of the countless tributes to their mother, then greeted people and accepted bouquets as many in the crowd wept.

"I told Prince William that his mother was loved by the world and he looked at me and gave me an amazing smile," Liseby Hobson, 32, a social worker from Devizes, Wiltshire, told the Press Association. "This was an incredible gesture they made today."

Diana's family, meanwhile, announced that her body would be buried Saturday on an island in a lake on the Spencer family estate at Althorp, Northamptonshire, rather than at the family chapel at the Church of St. Mary the Virgin in nearby Great Brington.

Diana's brother, Earl Charles Spencer, said the change

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Diana, held by Dodi al Fayed, and their driver on a security video at the Ritz. At left is a hotel employee.

Diana's Last Day: A Fayed Account

By Anne Swardson
Washington Post Service

PARIS — Mohamed al Fayed, owner of the Ritz Hotel from which Diana, Princess of Wales, and his son Dodi took their last drive, went on the offensive Friday, releasing a security videotape that a spokesman said supported the contention that the driver of the car was sober.

The hotel also provided details of the last hours of Diana and her Egyptian companion, saying that paparazzi had harassed the couple in Paris from the time their jet landed here at 3:30 P.M. until their deaths about nine hours later.

The account could not be independently confirmed, although it appeared to be consistent with other reports of the couple's movements.

The video and details provided by the hotel appeared designed to support Mr. al Fayed's contention that it was paparazzi on motorcyles who caused the car to slam into a concrete pillar in a highway tunnel along the Seine River early Sunday morning, killing Diana, his son and the driver and leaving a bodyguard hospitalized with severe injuries.

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Mother Teresa Dies at 87

Compiled by Our Staff From Dispatches

CALCUTTA — Mother Teresa, the Roman Catholic nun whose name became synonymous with charity for her work with "the poorest of the poor," died of a heart attack Friday, according to a spokeswoman for the Missionaries of Charity, her religious order. She was 87.

Known as the "Saint of the Gutters," she became a world byword for devotion to the poor, destitute and dying.

For 50 years, Mother Teresa comforted the destitute dying in gutters, sheltered infants abandoned in trash heaps, soothed the putrid ulcers of lepers and gave succor to the insane.

She received the Nobel Peace Prize in 1979 for bringing hope and dignity to millions of unwanted people. "The poor must know that we love them," was her simple message.

She was a powerful voice for conservative values, arguing passionately against abortion, contraception and divorce. Her fame gave her a platform, and she traveled as an envoy of Pope John Paul II to preach devotion to life.

A tiny, frail woman bent almost double in her later years, Mother Teresa was as renowned for her humility as her charity. She created a global network of homes for the poor, from the hovels of Calcutta to the ghettos of New York, including one of the first homes for AIDS victims.

Mother Teresa, friend of the poor.

Her work was financed by public foundations, private donors, and scores of prizes, including the 1979 Nobel Peace Prize of $192,000.

She had been in frail health for some years. She was hospitalized in August and September 1996 for heart trouble, and again in November 1996. Surgery to unblock two coronary arteries followed. *(AP Reuters)*

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Air France's Head Resigns in Protest

By Joseph Fitchett
International Herald Tribune

PARIS — The man credited with turning around France's flagship airline, Christian Blanc, said Friday that he was stepping down as head of Air France, making good on his threat to resign if the leftist government blocked plans to privatize the company.

It was the most tangible setback yet for French privatization under the new government of Prime Minister Lionel Jospin. More broadly, many here saw Mr. Blanc's departure as damaging the prospects for economic renewal under the Socialist-led coalition government.

In a resignation statement rejecting a government request that he stay on, Mr. Blanc warned that "time is running out in the savagely competitive battle of international air travel."

In a two-hour meeting Thursday night, Mr. Jospin urged him to remain, promising gradual changes in the company even though "privatization is not on the agenda," a government statement said. But Mr. Blanc, who forced policy changes on previous governments by threatening to resign, said that he had exacted sacrifices from Air France personnel with the promise of privatization — a goal that now seems to be shared by many of the company's employees and non-Communist unions but rejected by leftist politicians.

"Christian Blanc set the direction and made the difference in Air France's remarkable resurgence," Stephen Wolf, chairman of US Airways, told Bloomberg News. Mr. Wolf had occasionally advised Mr. Blanc on how to reshape the airline.

In four years, Mr. Blanc took Air France from a strike-ridden and cash-hemorrhaging symbol of weak state management and made it a profitable and competitive business.

A Havana-smoking loner with a military bearing, Mr. Blanc, 55, a Socialist from his student days, has had a career as a troubleshooter in government and in business. He has won bipartisan admiration for his dedicated independence to the job and ability to forge consensus — qualities often cited as those desperately needed to make changes in France. Doubts about broader privat-

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Hashimoto's Party Regains Majority

By Sheryl WuDunn
New York Times Service

TOKYO — Four years after angry Japanese voters ejected the Liberal Democratic Party from its longtime lock on power in Japan, the party regained control Friday with an effective majority in Japan's influential lower house of Parliament.

The defection of a legislator from the opposition New Frontier Party gave the Liberal Democrats a bare majority, and many analysts say they believe the Liberal Democrats will regain their traditional dominance of the political system, at least for a few years.

"This is symbolic," said Takao Toshikawa, a policy analyst who writes a newsletter on politics. "It is quite significant."

The Liberal Democrats won control when Naoto Kitamura, a former member who had deserted in 1993, rejoined them on Friday. The party met and hastily approved Mr. Kitamura's application for membership, giving it 250 seats in the 500-seat lower house.

Another 249 members belong to the New Frontier or other parties or are independents, and the final member is the speaker, whose loyalties are with the Liberal Democrats and who can vote to break a tie.

The Liberal Democrats will maintain their alliance with two other smaller parties, in part because they need the smaller parties to have a working majority in the upper house of Parliament.

Koichi Kato, the Liberal Democratic Party secretary-general, expressed doubt Friday that many more opposition members in the lower house would join

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

The Dollar

New York	Friday @ 4 P.M.	previous close
DM	1.8035	1.8157
Pound	1.594	1.5832
Yen	121.075	120.95
FF	6.0535	6.108

The Dow

change	Friday close	previous close
-44.83	7822.41	7867.24

S&P 500

change	Friday @ 4 P.M.	previous close
-1.8	929.05	930.85

Governments Act, Asian Markets Rally

Southeast Asian stock markets and currencies rebounded Friday, with the Kuala Lumpur exchange soaring 12 percent and the Thai baht stabilizing after two months of decline. The recoveries came after Bangkok persuaded some companies to delay foreign-debt payments and Malaysia halted several costly infrastructure projects. Page 9.

AGENDA

Christie's Calls End to Impressionist Sales

In a major announcement likely to rock the art market, the Christie's auction house will effectively declare on Monday the end of an era in which Impressionist art led the market. The reason is simple enough: The supply of major Impressionist paintings had dried up. As of Jan. 1, "Impressionist and Modern Painting" sales, as they were called until June 23, will be no more. All paintings from the 1830s to 1900 on will be sold under the denomination "19th Century Pictures." In a parallel move, "20th Century Pictures" will merge modern masters — the Fauves, Cubism, Matisse, Picasso in each of his incarnations — with post-World War II schools to 1970. Henceforth, "Contemporary Art" at Christie's will not predate 1970. Page 8.

Cuba Blames U.S. for Bombings at Hotels

Cuba says that bomb attacks at three Havana hotels and the city's best-known bar were part of a campaign of "terrorism" organized from the United States to damage the Cuban tourist business. An official statement stopped short of directly accusing the U.S. government, but it said the attacks "matched the interest of our enemies to strangle the economy by any means as a way of destroying the revolution." Page 3.

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Mother Teresa, a Life Devoted to the Poor Around the World

By Eric Pace
New York Times Service

Mother Teresa, the Roman Catholic nun who died Friday, had lived and worked among the poorest of the poor in Calcutta and other lands since 1928.

Long revered in India, she came to be honored around the world for the compassionate, effective way she set up and oversaw projects for providing care and comfort to the very poor and the afflicted, including orphans, lepers and the dying.

Her work was considered by some a rebuke to widespread feelings of personal powerlessness in middle-class and wealthy societies. In 1968, Pope Paul VI praised her as an "intrepid messenger of the love of Christ."

The Nobel Committee, awarding her its 1979 Peace Prize, said the award to her was "for work undertaken in the struggle to overcome poverty and distress in the world, which also constitute a threat to peace."

Informed of the honor, she said simply, "I am unworthy."

But she came in for criticism, too. A British television documentary in 1994 contended that perceptions of her were colored by "hyperbole and credulity."

Mother Teresa, who had been a school administrator in Calcutta, began living in the slums of that impoverished and densely populated city in 1948.

She had received what she described as a divine "call within a call" two years earlier while riding on a train.

In 1950, she established a religious order, the Society of the Missionaries of Charity, becoming its Superior General. She went on to organize diverse and far-flung programs for the impoverished, traveling widely even in her later years.

Her chief task, as she defined it, was to provide "free service to the poor and the unwanted, irrespective of caste, creed, nationality or race."

For the living, Mother Teresa set up orphanages, schools in slum areas and what were known as Pure Heart Homes for sick and dying homeless people. Over the years, she also set up such institutions as mobile health clinics, centers for the care of the malnourished, rehabilitation centers for lepers, homes for alcoholics and drug addicts, and places for homeless to spend the night.

Facilities that she set up in the United States included the Gift of Love Hospice, for 15 men with AIDS, in Greenwich Village.

The number of sisters in the Missionaries of Charity, only 62 in 1957, grew enormously. By the time Mother Teresa won the Nobel Prize, it had 1,800 nuns and 120,000 lay workers.

In addition to setting up more than 80 centers in India, the order had established 65 branches, running more than 100 centers — largely children's homes — in other areas of the world, in locations including Rome, Papua New Guinea, Yemen and the Bronx. It was also running schools, hospitals and youth centers on a large scale, and its patients included 53,000 lepers.

In 1988, her order was operating 600 mobile clinics where almost 4 million people received treatment. And in that year, Mother Teresa visited South Africa, where apartheid still prevailed, to set up a hostel in a black township. By early 1992, experts reported, members of the order were stationed at 450 sites in more than 90 countries.

At that time her order reportedly had 4,000 nuns and 400 priests and brothers, helped by hundreds of thousands of lay volunteer workers.

By August 1996 the order's activities included looking after almost 7,000 children.

Through her travels, Mother Teresa became known to millions in many countries as a slight, brown-eyed figure — she was only 5 feet tall — smiling and dressed in the plain white sari with blue trim that she had adopted for the Missionaries of Charity.

Mother Teresa put particular emphasis on giving the deprived and the sick a sensation of dignity through personal contact with them.

In addition to piety, humility and warmth, she displayed strength of will, practicality and organizational talent. Mother Teresa was born Agnes Gonxa Bojaxhiu on Aug. 27, 1910, to Albanian parents — her father was a grocer — in Skopje, an old city in what is now Macedonia.

Studded with churches and mosques, it lies about 200 miles south of Belgrade and was then ruled by the Turks.

While a schoolgirl, she belonged to a Catholic lay women's organization. At its meetings, letters were read from Balkan Jesuits who had gone to missions in Bengal, in eastern India.

At the age of 12 she decided to become a nun, and the organization put her in touch with the Sisters of Loreto, an Irish Catholic order with missions in Bengal. But she joined the order in Rathfarnham, a suburb of Dublin, in 1928.

After English lessons there, she spent a year at Darjeeling, north of Calcutta, where the Sisters of Loreto operated a girls' school.

Then she became a geography teacher at St. Mary's High School, an institution for relatively well-off girls in Calcutta. In time, she learned Bengali and Hindi and became headmistress.

Before long — in 1950 — she won canonical recognition for her new order, the Missionaries of Charity, and the sisters who joined it took vows of chastity, obedience, poverty and service.

Mother Teresa set about establishing a home for the dying destitute. She persuaded Calcutta's municipal authorities to give her a shabby one-story building, which happened to stand next to a complex of Hindu shrines.

In that humble structure, she succeeded in creating a place where those who died would do so with dignity in a clean and compassionate environment. The establishment was called Nirmal Hriday, the place for the pure of heart.

In 1971 Mother Teresa's order opened its first house in the United States. It was in Harlem, but soon moved to the Bronx.

On a visit to the United States in 1980, Mother Teresa helped open a soup kitchen in that borough and declared her thanks to the poor people of New York "for allowing themselves to be taken care of" by her order. In 1981, she opened a mission in Newark.

Then in 1982, when she was 72, she worked for a number of days in Beirut, Lebanon, crisscrossing the Green Line that divided Christian East Beirut from Muslim West Beirut.

After suffering heart problems, Mother Teresa sent her resignation as head of her order to Pope John Paul II early in 1990. She said the time had come for "younger hands." A new head was to be chosen in September 1990.

But in that month she told reporters in Calcutta that God's will had kept her from stepping down.

In addition to all her good works, Mother Teresa found time to compose prayers, including this one:

Make us worthy, Lord,
To serve our fellow men
Throughout the world who live and die
In poverty or hunger.
Give them, through our hands
This day their daily bread.
And by our understanding love,
Give peace and joy.

She could also be briskly prosaic. In an interview in 1994 she said, "I work all day, that is the best way."

Moscow Goes All Out To Celebrate 850 Years

3-Day Fete Showcases City's Past and Future

By Daniel Williams
Washington Post Service

MOSCOW — No rain on this parade.

Moscow began to celebrate its 850th anniversary Friday with a gigantic, three-day bash that will showcase the capital's role as Russia's economic powerhouse.

And just in case nature has ideas of spoiling the festival, the city government arranged for cloud seeding to make sure any rain drifting in would fall before it got to Moscow.

That may seem extravagant, but the whole affair is over the top: huge parades, giant public works and nationalist symbolism.

If it all seems a little Soviet, one shouldn't be surprised.

Organizers researched Moscow's 800th anniversary celebration, ordered by Stalin, said Alexei Klushin, executive director of the festival. "It was the closest model we had," he said.

A historian, Sigourd Schmidt, who was a student during the 1947 jubilee, remarked: "The present jubilee could have been held 50 years ago, without problems, except that instead of model workers on the street there are now model cars.

"In Stalin's case," he continued, "Moscow was asserting itself as an important capital after World War II, a capital of empire. In 1997, Moscow is asserting itself after the Cold War, not as a capital of empire, but at least a world-class capital."

The 850th anniversary is the handiwork of Yuri Luzhkov, the city's energetic and controversial mayor. His passion for public works and creating businesses has won him vast popularity in the capital.

Critics say his meddling in business breeds corruption. No matter. He is widely regarded as one of the aspiring candidates to succeed President Boris Yeltsin at century's end, and Moscow's anniversary is his showcase.

The celebration hardly goes against the traditional inclinations of Muscovites. Apart from New York City, with its Big Apple, "I-Love-NY" hard sell, few cities in the world are as unabashedly, unbearably dedicated to self-promotion as Moscow.

The city's current masters never tire of proclaiming Moscow "the Golden," "the Beloved," "the Best City on Earth." They are true heirs to past occupants of the city who projected civic glory through grandiose architectural monuments, from the Kremlin's antique gilt domes to the ghoulish Gothic towers of the Stalin era.

Early czarist rulers proclaimed the city a spiritual and temporal "Third Rome," after the original Rome and Constantinople. Pretty good company, in terms of grandeur.

In pushing Moscow, Mr. Luzhkov is doing what comes naturally. "The Big Potato," he could call it.

Some of the festival sloganeering seems right out of Communist-era Central Committee: A televised concert carries the theme "The Slavic World Welcomes Moscow," a military pageant is called "Long Live Russia, Long Live Moscow" and another concert is entitled "The Inextinguishable Light in the Windows of Moscow."

There's an "I Love Moscow Like a Son" art exhibit from Russia's regional minorities and a grand finale stadium spectacle called "Moscow for All Time."

Giant posters depicting World War II medals and soldiers adorn New Arbat Street and soldiers are going to march in costumes from some of Russia's major battle victories. Scores of buildings have been scrubbed down or painted, parks refurbished, new fountains turned on, a new plaza and underground shopping mall built, potholes filled, banners hung and new statues erected.

The police have been trying to sweep prostitutes, drunks and the homeless off the streets. The prostitutes have resisted, although there are reports they may take a compromise holiday during the festival.

Two monuments have been added to the Moscow skyline that are emblems of the anniversary, and indicate where Mayor Luzhkov breaks with Stalin's view of history.

One is a 15-story maritime-motif of Peter the Great, which represents a Western-looking approach to Moscow's future. The other is a rebuilt Christ the Savior Cathedral, which Stalin ordered destroyed in 1931. Mr. Luzhkov has resurrected the cathedral.

"We must show that Russia has something to be proud of, that it has Moscow," Mr. Luzhkov said in a newspaper interview last week. "In this respect, Moscow, with its 850-year history has been and will be the bearer of an idea of the state. The 850th anniversary is a national holiday. It is also an international holiday."

Misha Japaridze/The Associated Press

Russian troops marching Friday past a new monument in Moscow to Peter the Great, the reformer being honored on Moscow's anniversary.

Comoran Rebels Defeat the Army

Compiled by Our Staff From Dispatches

NAIROBI — The Comoran Army has been defeated by secessionist rebels, and fighting on the breakaway island of Nzwani, also known as Anjouan, has ceased, according to Pierre Yere, the Organization of African Unity special envoy.

"The term debacle would be appropriate to describe the situation," Mr. Yere told Radio France Internationale from the Comoran capital, Moroni.

According to Mr. Yere, the 300 government soldiers who landed on the island Wednesday met "stiff resistance" from the separatists "who also took the offensive in the fighting."

A spokesman for the French Foreign Ministry said there were heavy casualties but did not confirm earlier reports that two French citizens had been killed. *(AFP, AP)*

BRIEFLY

Opposition Blocks Kohl Tax Package

BONN — The upper house of Parliament, which is controlled by the opposition, again rejected Friday the government's tax reform plans, throwing Chancellor Helmut Kohl's grand tax-cutting plans back to mediators.

The Bundesrat, dominated by the opposition Social Democratic Party, formally voted down the tax reform plans that Mr. Kohl had hoped to use as a cornerstone in his program to cut unemployment and promote economic growth.

"This is a slap in the face for everyone without a job and every taxpayer," said Friedrich Bohl, Mr. Kohl's chief of staff, adding, "Voters will make the SPD pay for their destructive behavior."

The Social Democrats contend that Mr. Kohl's proposed tax cuts would benefit the wealthy rather than low-income workers.

The Bundestag, the lower house of Parliament, passed the tax-cutting proposals in June but the upper house rejected them in a first vote in July. Attempts by mediators to bridge the gap between the two houses failed.

The Hamburg mayor, Henning Voscherau of the Social Democrats, said the party was still willing to restart mediation talks Sept. 11. The offer was accepted by Finance Minister Theo Waigel. *(Reuters)*

U.S. Rejects Threat Of Serbian Boycott

BRUSSELS — The United States warned hard-line Bosnian Serbs on Friday that municipal elections would be held next week regardless of whether they went through with their threat of a boycott.

"If they do not want to participate, the elections will go ahead without them," said Robert Gelbard, the U.S envoy to Bosnia-Herzegovina. The U.S. stance was backed by the international contact group on Bosnia, which said the elections would be held as scheduled Sept. 13 and 14 under the supervision of the Organization for Security and Cooperation in Europe.

The group, made up of Britain, France, Germany, Russia and the United States, also warned that any attacks on international personnel in Bosnia would be met with force and that inflammatory broadcasts by the Bosnian Serbian media would not be tolerated. *(AFP)*

Russia Offers Plan On Baltic Security

VILNIUS, Lithuania — Prime Minister Viktor Chernomyrdin of Russia offered the Baltic countries security guarantees Friday if they stayed unaligned, saying he was "alarmed" at the prospect of NATO expansion into former Soviet territory.

At a 12-country meeting in Vilnius on security and stability in Central and Eastern Europe, he said Moscow was offering a hot line between the military command of Russia's Kaliningrad region and the Baltics, notification of large-scale military exercises, mutual visits by warships, limits on naval exercises and a pledge to hold only defense exercises in the Kaliningrad enclave. *(AP)*

TRAVEL UPDATE

Europe Airlines Plagued By Delays This Summer

BRUSSELS (Reuters) — Severe delays plagued airlines and passengers in Europe this summer with almost one in four of all intra-European departures delayed by more than 15 minutes in June, figures showed on Friday.

The Association of European Airlines said the latest figures for member airlines' "punctuality performance" on routes within Europe pointed to the summer of 1997 turning out to be much worse than in recent years.

Bidding on Lima Airport

LIMA (Bloomberg) — Peru will open bidding next year for a private concession to expand and operate Lima's international airport, the country's largest, President Alberto Fujimori said. Among the projects proposed will be the modernization of the airport and the construction of a second runway, he said.

Crash Is Blow To Cambodia

PHNOM PENH (Reuters) — A fatal plane crash at Phnom Penh's international airport this week has further blackened the dreary outlook for tourism.

Tourism, once one of the country's fastest-growing sectors, virtually dissolved after factional fighting in Phnom Penh broke out in early July.

But the crash Wednesday of a Vietnam Airlines flight that killed 64 people may delay any recovery, analysts said.

WEATHER

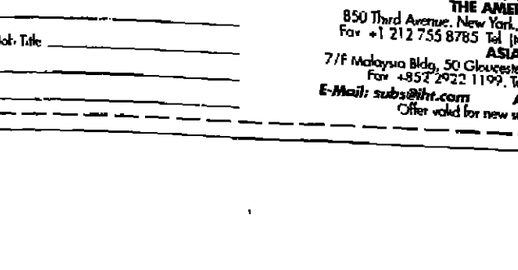
Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	29/82	18/64 s	28/82	19/66 s
Amsterdam	18/64	12/53 pc	18/64	13/55 r
Ankara	22/71	4/39 s	24/75	6/43 s
Athens	25/77	16/61 s	26/79	18/64 s
Barcelona	26/79	17/62 s	25/77	17/62 s
Belgrade	29/84	14/57 s	31/88	16/61 s
Berlin	21/70	11/52 pc	18/64	13/55 sh
Brussels	19/66	11/52 pc	18/64	13/55 sh
Budapest	28/82	17/62 pc	27/80	17/62 c
Copenhagen	19/66	11/52 c	10/61	12/53 r
Costa Del Sol	27/80	17/62 s	27/80	19/64 s
Dublin	16/61	14/57 r	19/66	14/57 pc
Edinburgh	14/57	11/52 r	17/62	13/55 c
Florence	31/88	17/62 pc	31/88	17/62 s
Frankfurt	22/71	10/50 c	18/64	12/53 sh
Geneva	26/77	14/57 r	21/70	9/48 c
Helsinki	17/62	13/55 sh	19/64	9/48 r
Istanbul	23/73	12/53 s	24/75	15/59 s
Kiev	18/64	9/48 s	21/70	13/55 c
Las Palmas	26/84	22/71 pc	27/80	21/70 pc
Lisbon	26/79	19/66 s	27/80	19/66 s
London	19/66	14/57 pc	19/66	14/57 s
Madrid	32/89	13/55 s	30/86	13/55 s
Mallorca	27/80	18/64 s	27/80	16/61 s
Milan	30/86	18/64 pc	28/82	14/57 pc
Moscow	15/59	6/43 s	18/64	11/52 pc
Munich	23/73	12/53 sh	20/68	9/48 c
Nice	27/80	19/66 s	27/80	18/64 s
Oslo	17/62	11/52 sh	18/64	6/48 pc
Paris	18/64	8/46 pc	17/62	12/53 sh
Prague	22/71	12/53 r	21/70	9/48 pc
Reykjavik	14/57	11/52 c	13/55	7/44 sh
Riga	20/68	10/50 r	19/66	12/53 sh
Rome	28/84	18/64 s	27/80	17/62 s
St. Petersburg	18/64	12/53 pc	17/62	13/55 r
Stockholm	19/66	12/53 sh	17/62	11/52 pc
Strasbourg	22/71	11/52 sh	21/70	10/50 pc
Tallinn	17/62	14/57 sh	18/64	11/52 r
Tbilisi	19/66	12/53 r	18/64	13/55 r
Venice	28/82	18/64 pc	28/82	17/62 pc
Vienna	27/80	17/62 pc	24/75	14/57 c
Warsaw	24/75	14/57 sh	25/77	11/52 pc
Zurich	24/75	13/55 r	21/70	9/48 pc

Middle East

Abu Dhabi	44/111	27/80 s	44/111	27/80 s
Beirut	29/84	19/66 s	27/80	21/70 s
Cairo	32/89	17/62 s	32/89	18/64 s
Damascus	30/86	11/52 s	31/88	13/55 s
Jerusalem	27/80	12/53 s	27/80	14/57 s
Luxor	37/99	16/61 s	38/100	17/62 s
Riyadh	42/107	21/70 s	43/109	24/75 s

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Jetstream — Unseasonably Cool — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
Showers and thunderstorms will dampen southern New England Sunday, then breezy and nice Monday and Tuesday. Heavier rains will reach from Maine to Newfoundland. The Northeast and Midwest will be dry with sunshine. Sunny and hot in the Southwest and most of the West.

Europe
Breezy with showers and intervals of sun in Scotland but London will be pleasant with sunshine Sunday to Tuesday. Warm from Romania and Belarus to western Russia but thundershowers Monday will usher in cooler weather. Periods of rain will soak southern Scandinavia and Germany.

Asia
Very warm and humid in Seoul Sunday to Tuesday with a shower possible each day. Tokyo will also be humid with some sun and the chance for a shower. Heavy rains are possible in southern Korea and southern Japan, while Beijing and most of northeastern China will be hot and dry.

North America

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Anchorage	16/61	8/46 pc	17/62	13/55 sh
Atlanta	29/84	18/64 s	29/84	18/64 pc
Boston	26/79	17/62 pc	21/70	14/57 pc
Chicago	29/84	17/62 sh	24/75	14/57 pc
Dallas	31/88	21/70 s	31/88	21/70 pc
Denver	31/88	13/55 t	31/88	12/53 t
Detroit	27/80	16/61 pc	24/75	13/55 pc
Honolulu	31/88	23/73 pc	32/89	24/75 pc
Houston	31/88	21/70 pc	32/89	20/68 pc
Los Angeles	30/86	17/62 s	31/88	19/66 s
Miami	31/88	26/79 t	33/91	25/77 t
Minneapolis	26/79	13/55 s	24/75	13/55 pc
Montreal	21/70	14/57 c	21/70	10/50 sh
Nassau	32/89	24/75 t	32/89	24/75 t
New York	28/82	18/64 s	29/84	17/62 s
Orlando	31/88	23/73 t	32/89	23/73 pc
Phoenix	40/104	27/80 s	40/104	27/80 pc
San Fran	25/77	14/57 pc	24/75	13/55 pc
Seattle	21/70	13/55 sh	22/71	12/53 pc
Toronto	24/75	13/55 sh	22/71	10/50 sh
Vancouver	19/66	11/52 sh	21/70	13/55 pc
Washington	29/84	17/62 s	30/86	17/62 s

Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Almaty	28/73	9/48 s	24/75	8/46 s
Bali	31/88	19/66 s	30/86	19/66 s
Bangkok	33/91	24/75 pc	32/89	23/73 c
Beijing	32/89	20/68 pc	33/91	23/73 s
Bombay	29/84	23/73 pc	29/84	23/73 c
Calcutta	30/86	26/79 c	31/88	24/75 sh
Chiang Mai	30/86	22/71 r	29/84	23/73 r
Colombo	29/84	24/75 pc	28/82	23/73 sh
Hanoi	30/86	24/75 t	29/84	24/75 r
Ho Chi Minh	33/91	24/75 pc	32/89	23/73 pc
Hong Kong	29/84	24/75 c	28/82	24/75 r
Islamabad	41/106	24/75 s	39/102	25/77 s
Jakarta	32/89	22/71 s	30/86	22/71 pc
Karachi	31/88	23/73 pc	31/88	23/73 pc
K. Lumpur	32/89	23/73 t	31/88	23/73 pc
K. Kinabalu	31/88	22/71 pc	31/88	22/71 sh
Manila	31/88	23/73 pc	30/86	22/71 pc
New Delhi	37/99	25/77 pc	37/99	26/79 pc
Phnom Penh	32/89	24/75 pc	31/88	23/73 sh
Phuket	33/91	24/75 pc	32/89	23/73 c
Rangoon	29/84	23/73 r	28/82	22/71 r
Seoul	30/86	17/62 s	29/84	18/64 s
Shanghai	29/84	23/73 r	28/84	22/71 pc
Singapore	30/86	21/70 pc	29/84	21/70 r
Taipei	30/86	24/75 r	29/84	24/75 r
Tokyo	29/84	24/75 pc	29/84	23/73 pc
Vientiane	28/82	23/73 r	28/82	22/71 r

Africa

Algiers	29/84	17/62 s	31/88	18/64 s
Cape Town	18/66	7/44 s	12/53	2/35 c
Casablanca	28/82	19/66 s	29/84	20/68 s
Harare	24/75	9/48 s	26/79	11/52 s
Lagos	28/82	22/71 c	28/82	23/73 c
Nairobi	27/80	9/48 pc	27/80	10/50 pc
Tunis	29/84	17/62 pc	29/84	18/64 pc

Latin America

Buenos Aires	20/68	11/52 pc	26/79	9/48 pc
Caracas	29/84	22/71 c	29/84	22/71 c
Lima	21/70	16/61 pc	20/68	17/62 pc
Mexico City	24/75	16/61 sh	19/66	13/55 c
Rio de Janeiro	27/80	18/64 c	25/77	19/66 pc
Santiago	19/66	7/44 r	12/53	0/32 r

Oceania

Auckland	11/52	6/43 s	11/52	9/48 sh
Sydney	18/64	12/53 pc	19/66	13/55 c

Legend: s-sunny, ps-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hur-W-W-Typhoon. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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Cuba Links Bombs to Foes in U.S.

It Says Terrorists Aim To Damage Tourism

HAVANA — ... attacks ... city's best-... business ... of "terrorist ... United States ... ist business.

A cardinal ... the Interior ... directly ... of being ... seafood ... frequented ... ness ...

But it ... of ministries ... ist targets ... the interests ... the economy ... destroy the ...

Cuba ... counter the U.S. ... political ... Washington ... submission ... U.S. ... against the ...

Witnesses ... people ... a small ... Havana ... guna del Mar ... ing way.

The blast ... the largest ... the fourth ... the seventh ...

Earlier ... became the ... bomb attacks.

Fabio Di ... Italian ... identified ... istry as it ... near the ... pacabana ...

It was the ... series of ... focused ...

The ... nearby ... out ... age.

"The ... actions ... moted ... Cuban ... of damaging ... and affecting ... economic ... ment ...

With ... thorities ... the danger ... Communist ... in the United ...

Before ... State Department ... from the ... did not ... achieve ... demonstrate ...

Cuba's ... its fastest ... a magnet ... taking ... currency ...

ACROSS
1 City of ...
7 Actress ... Campanella ... "Mamma"
12 Greenery
19 Starches
20 Bony
21 Mammals ... camels
22 Minutes ...
24 Amount ...
25 James ... Whitcomb ... Riley's ... Went Mad"
26 Make ... short
27 Request for permission
29 Sandal ... white
30 Jodhpurs ... dad
34 Unmannerly
38 Changing ...
41 Tops
42 Lawn ... maker
44 Where ... is the ...

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Cuba Links Bombs to Foes in U.S.

It Says Terrorists Aim To Damage Tourism

Compiled by Our Staff From Dispatches

HAVANA — Cuba says that bomb attacks at three Havana hotels and the city's best-known bar, killing an Italian businessman, were part of a campaign of "terrorism" organized from the United States to damage the Cuban tourist business.

A carefully worded statement from the Interior Ministry stopped short of directly accusing the U.S. government of being behind the blasts at the three seafront hotels and the bar, which are frequented by foreign tourists and business travelers.

But it said the attacks, part of a series of mysterious bombings of Cuban tourist targets in recent months, "matched the interest of our enemies to strangle the economy by any means as a way of destroying the Revolution."

Cuba's Communist government counts the U.S. government as its main political enemy and frequently accuses Washington of trying to squeeze it into submission through the 35-year-old U.S. economic embargo imposed against the Caribbean island.

Witnesses said that at least three people appeared to have been injured in a small explosion late Thursday at Havana's best-known bar, the Bodeguita del Medio, a haunt of Ernest Hemingway's.

The blast rattled the second floor of the landmark bar about 10 P.M. It was the fourth in Havana on Thursday, and the seventh since July 12.

Earlier in the day, an Italian tourist became the first fatality in the wave of bomb attacks.

Fabio Di Celmo, 32, a Genoa-born Italian national living in Montreal, was identified by the Italian Foreign Ministry as the tourist who died in the blast near the ground floor bar at the Copacabana at midday Thursday.

It was the first fatal casualty in a series of bomb attacks in Cuba that have focused on tourist hotels.

The explosions in the lobbies of the nearby Chateau and Triton hotels blew out windows and caused other damage.

"These acts form part of terrorist activities organized, supplied and promoted from the United States against Cuban tourist installations, with the aim of damaging our international tourism and affecting one of the country's main economic sectors," the Cuban statement said.

With this wording, the Cuban authorities again appeared to be pointing the finger of blame at rightist, anti-Communist Cuban exile groups based in the United States.

Before the Cuban statement, the U.S. State Department had distanced itself from the bombings in Havana, saying it did not condone the use of violence to achieve a transition to democracy or to demonstrate opposition.

Cuba's tourist industry has become its fastest growing economic sector and a magnet for foreign investment, overtaking sugar exports as the main hard currency income earner. *(Reuters, AFP)*

POLITICAL NOTES

Joe Marquette, The Associated Press

Buddhist nuns testifying at the Senate hearing on campaign finance.

Diffusive Senators Daunt Buddhist Nuns

WASHINGTON — For three Buddhist nuns testifying before a Senate hearing on campaign finance, some of the questions simply got lost in the translation from English to Chinese and back again. But other questions became mired in a language foreign to nearly everyone outside Congress: the headspinning idioms of senators preening for the camera.

The nuns, who speak little or no English, came to the Hart Senate Office Building armed with an interpreter, lawyers and the unusual grant of immunity from prosecution and tried to answer questions about a purported fund-raiser at their temple in California.

But they often had trouble unearthing the question from the long, roving statements that tend to precede senatorial queries.

"I'm sorry; say again," said Venerable Man-Ho, the Hsi Lai Temple administrator, in a common refrain throughout Thursday, as she responded to a drawn-out question from Senator Arlen Specter, Republican of Pennsylvania. "I don't think I could repeat it," the senator said, poking fun at his own verbal wind-up.

In April 1996, Vice President Al Gore visited the California temple for an event that Republicans say was a fund-raiser orchestrated by John Huang, one of the White House's chief money raisers. They also contend that a number of monastics at the temple wrote out checks to the Democratic National Committee, at the prodding of Mr. Huang, and were later reimbursed for the contributions by the temple checking account.

The highlight of the day came when two of the nuns spoke about getting rid of temple documents they held in connection with the event. When one was asked why she did away with documents related to the luncheon, she responded succinctly.

"I really got nervous," said Venerable Yi-Chu, the temple treasurer. "I'm the bookkeeper of temple, but I'm not a professional accountant."

The nuns both said they got rid of the paperwork for fear it would embarrass the temple, not because they were covering up for the Democratic National Committee and Mr. Gore.

By midday, it became clear to everyone in the room, especially the Republicans who called the witnesses, that the nuns knew little about how the money was funneled to the Democrats. *(NYT)*

House Would Renew Halt in Abortion Aid

WASHINGTON — Renewing what has become a perennial fight, the House has approved an amendment that would prohibit the flow of federal money to international programs that provide abortions or promote them as a method of family planning.

The measure would reinstate a policy that was started by President Ronald Reagan and continued by President George Bush, but became one of President Bill Clinton's first targets.

The amendment — sponsored by Representative Christopher Smith, Republican of New Jersey, who is one of the leading abortion opponents in Congress — was part of the $12.3 billion spending bill for foreign operations that the House passed Thursday, 375 to 49.

Mr. Smith's amendment was passed 234 to 191, with 192 Republicans and 42 Democrats voting for it. Twenty-nine Republicans, 161 Democrats and one independent voted against it.

The Senate has already approved its version of the foreign aid bill, which does not include the anti-abortion provisions. Twice in the last two years, in the face of threatened filibusters from supporters of abortion rights, the Senate has defeated efforts to reinstate the Reagan-Bush policy.

Gloria Feldt, president of the Planned Parenthood Federation of America, called the House vote an outrage. "Family planning should not be held hostage to anti-abortion politics. Chris Smith's prohibition will cause more abortions and more deaths of women. I think it is shameful that Congress would go along with this." *(NYT)*

Quote / Unquote

Michael McCurry, spokesman for the White House, which, after failing at behind-the-scenes diplomacy, has given William Weld the go-ahead to reignite his public campaign to win the job as ambassador to Mexico: "In the end of the day, we think that substance will triumph over politics." *(AP)*

Away From Politics

• **Despite tougher federal laws** to make education available to homeless young children, more than 180,000 of them around the United States have been unable to enroll in public preschool programs, according to a report. *(NYT)*

• **The Supreme Court refused** an emergency request to block California from enforcing its new law against affirmative action, which took effect a week ago. The court's action, which was made public without comment, does not foreclose a further review of the controversial law later this fall. An appeal is expected. *(NYT)*

• **The Treasury Department says** it is expanding a crackdown on the laundering of drug money from the New York region to focus on electronic cash transfers to the Dominican Republic. The move follows a Treasury order last year that focused on money transfers from New York to Colombia. The latest order will require money transfer companies to report to the government on transfers of $750 or more to the Dominican Republic. *(NYT)*

• **Awakened by gunfire** outside his building, Nester Medero, a 46-year-old maintenance man at an apartment complex in Brooklyn, arose and looked out from his window. As the shots continued to ring out, one of them struck his neck, killing him. The police said that they had no suspects in the case. The shots appeared to be the result of ill-will at a dice game across the street, the police said. *(NYT)*

Despite Woes, Miami Gets Big Vote of Confidence

Compiled by Our Staff From Dispatches

MIAMI — Miami's city government may be tarnished by corruption and struggling with debt and poverty, but voters overwhelmingly think that it is worth keeping.

In an election seen as a test of Cuban-American solidarity, voters, by a nearly 6-to-1 margin, rejected arguments that the city was too poor and mismanaged to thrive alone and should be merged with surrounding Dade County.

With 100 percent of the precincts reporting, the vote was 26,095, or 85.1 percent, in favor of retaining the city, and 4,570, or 14.9 percent, voting to abolish it.

Those who favored abolishing the city cited a series of municipal corruption scandals and fiscal troubles. They envisioned a cut in property taxes, the highest in the region, if the county took over duties now handled by the city, like police protection, firefighting and garbage collection.

But many voters emerging from the polls seemed reluctant to take a step as extreme as abolishing their 101-year-old city.

"Every city has gone through corruption and crooked politicians, but you have a lot of folks that mean well," said Thomas Wilkerson, 41, a concert promoter. "We need to give it a chance."

A jubilant Mayor Joe Carollo said: "We've been through some of the worst times in the city's history in the months just past, probably the worst times any major city has ever faced. Miami's got that magic, and Miami keeps coming back."

Those favoring abolition argued that because of Miami's limited tax base — Miami is America's fourth-poorest big city based on per-capita income — it would make more sense to erase the city boundaries and let the county provide services like police and fire protection.

The debate quickly evolved into a test of ethnic solidarity among Miami's 375,000 residents, of whom two-thirds are Hispanic, one-fourth black and the rest non-Hispanic white.

Cuban-Americans consider Miami their city, and some viewed the abolition effort as a move by whites to shed themselves of the city's Hispanic leadership.

The referendum was forced by a citizens' petition in January. At the time, Miami was facing a $68 million deficit and a bribery scandal that snared several city officials. After the vote, the main proponent of abolition said the issue would not go away.

"Eventually, people are going to realize that their pocketbook and quality of life will be more important than ethnic politics," said Gene Stearns, an attorney. "Over the long term, the merger of these regional governments is inevitable." *(AP, NYT)*

BOOKS

TREASURE HUNT

By William H. Honan. 289 pages. Illustrated. $24.95. Fromm International.

Reviewed by Teresa Carpenter

IN the spring of 1945, as U.S. troops pushed through the Harz Mountains of central Germany rounding up stragglers from Hitler's defeated army, they stopped in their tracks at Quedlinberg. The medieval town, a stronghold of Germany's earliest kings, had escaped the ravages of Allied bombing and to the war-weary GIs appeared an exquisite mirage suspended in space and time. The burgomaster of Quedlinberg confided to U.S. officers that certain sacred objects normally housed in the cathedral had been moved to a mushroom cave on the outskirts of town.

The Americans posted a military guard to safeguard the valuables, but several days later when a team of inspectors appeared to take inventory, they found crates ripped open and a dozen of the most important objects missing. Among these were two jeweled and exceedingly rare biblical manuscripts more than 1,000 years old. The stolen items were later valued at $200 million. It would go on record as one of the largest art thefts in history.

Incredibly, the U.S. authorities never bothered to investigate. They were busy winding down the war and most likely wrote off the missing goods as Nazi loot. Forty-five years passed with no sign of the thief or treasures.

Then in 1989, William H. Honan, a reporter for The New York Times, received a tip that put him hot on the trail of the stolen relics. In "Treasure Hunt," Honan tells how he helped locate and return the "Quedlinberg hoard."

Honan follows a handful of cold leads from New York to Texas, where, in the obituary columns of a small-town newspaper, he turns up his thief, a former army lieutenant named Joe Tom Meador. Meador, it turns out, was a rural hardware salesman who appears to have been living a flamboyant double life as a gay man in Dallas. Over the next five years or so, Honan sifts through birth and death certificates, military archives, old letters and depositions for bits of information about his quarry.

During the last days of World War II, Meador apparently strolled blithely through Europe lifting lace altar cloths and cutting paintings out of their frames. The Quedlinburg hoard, which he spirited out under the noses of the guards and mailed home in plain brown wrapping paper, appears to have been an extension of a broader pattern of pilfering.

Did Joe Tom Meador ever grasp the enormity of his crime? Probably not. He would later tell friends and relatives that he had "liberated" the artworks from the Nazis so that they wouldn't fall into the hands of the Communists. (Honan points out that the Quedlinburg treasures were not Nazi loot, but the patrimony of the German people.)

After Meador's death in 1980, his brother, Jack, and his sister, Jane Meador Cook, held to the same morally obtuse line, claiming that they enjoyed "squatter's rights" to the treasure. It wasn't until Honan's journalistic investigation, a civil lawsuit brought by the German church and the threat of criminal prosecution by the State Department that the heirs agreed to sell the objects back to their rightful owners for $1 million.

"Treasure Hunt" is a first-rate detective story that moves along briskly until the final chapters, when it tends to bog down in the legal blow by blow.

Curiously, the author is not as well developed as the rest of the characters in his story. Perhaps this is a newsman's natural reluctance to turn the spotlight on himself. Honan confides in the reader early on that he needs to impress his superiors with a "home run." He does not fully explain why. We are left to guess how much of his quest is fueled by personal ambition and how much by an obsession that he himself cannot define.

Teresa Carpenter, the author of "Missing Beauty" and a co-author with Marcia Clark of "Without a Doubt," an account of the O.J. Simpson murder trial, wrote this for The New York Times.

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26 Make waves, for short?
27 Request for *permission*
29 A sin all one is white
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38 Changing places
41 Tops
42 Lawn mower maker
44 Where area code 813 is: Abbr.
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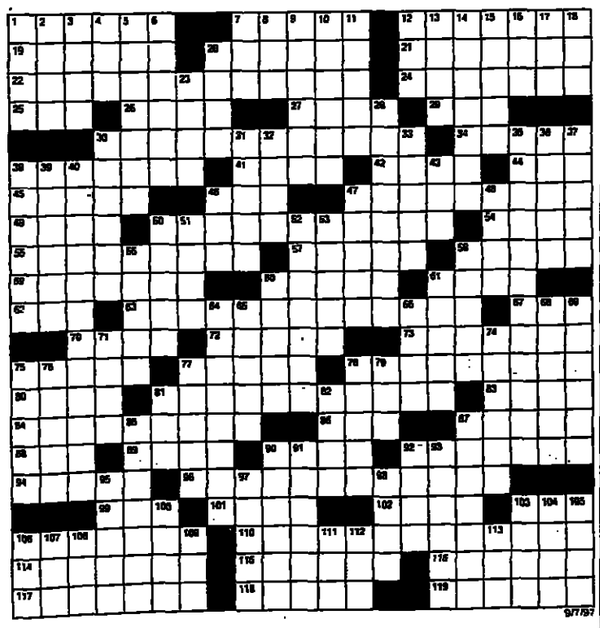
47 Partridge locales?
49 Side-channel, in Canada
50 Mel's daughters
54 Farm females
55 Tentativeness
57 Synthetic fiber
58 Mawkish
59 Life's strange turns
60 Throws off
61 *Not esto or eso*
62 Univ. grant source
63 Member of Glenn's family
67 Elemental ending
70 Competitor of Bloomies
72 Part of a candlelight ceremony, maybe
73 Where zebras and giraffes graze
75 They travel on foot
77 Subatomic particle
78 Unruffled
80 Soprano in "Louise"
81 Michael J.'s kids
83 Understand
84 Gym equipment
86 One for Juan
87 Kind of alphabet
88 Hurricane heading: Abbr.
89 50's-60's teen *idol*
90 French bench
92 Hoarder
94 Side in a Euro *conflict*
96 Jasmine's family member
99 Uranians, e.g.
101 Kind of exhaust
102 Provide, as with legal authority
103 Lizard, old-style
106 Hitched
110 Member of Joyce's family
114 Sautéed fish dish
115 Lots of potatoes
116 Designer Pucci
117 Follows a sidewalk preacher
118 First name in cosmetics
119 Holds off

DOWN
1 Tip
2 God with iron gloves
3 Midnight or beyond
4 Hair color
5 Initial instruction
6 Cherished name in Calcutta
7 Kitchen mess.
8 Suffix with Manhattan
9 "Able" one
10 Capital once known as Salisbury
11 Masefield's "—— That Pass By"
12 Testing site
13 Ben-Gurion carrier
14 Liqueur flavor
15 Traveler
16 Close friend, in slang
17 Hoedown date
18 *Squiggly shape*
20 "What's to become ——?"
23 Dog bowl bits
28 Investor's concern
30 Certain camera shot
31 Union demand
32 Charles's game
33 "... —— a good-night!"
35 Anita, Bonnie, Ruth and *June*
36 Sore labour's bath, to Shakespeare
37 Flip, in a way
38 Return, as chips
39 Doubleday et al.
40 Donna's sons
43 Penn Sta. traffic
46 Big Apple's 30 Rock occupant
47 Ship commanded by Martin Pinzon
48 Caboose
50 Highlanders
51 —— many words
52 "Give me an example, smarty"
53 Bar's partner
56 Sounds of time passing
58 Allen or Martin
60 He played Robin and Don Juan
61 Tracks
64 "Braveheart" setting
65 Bridge positions
66 *Tropical spot*
68 Nervousness
69 Climbing plant with a dye-yielding root
71 Burnoose wearer
74 Straddling
75 Deliveries to a butcher
76 Cut back
77 Silvers role
78 *Shell*
79 Tic-tac-toe failure
81 Football Hall-of-Famer Ford
82 Candid Allen
85 *Fortification*
87 Spring part
90 S.A.T.'s
91 Solvent
92 Stress, for one
93 Tousled
95 Old Texaco star
97 Broadway salute to Blake
98 Times to call, in classifieds
100 Elated
103 Vogue rival
104 So-so
105 Terrible time
106 Vandalize
107 Honest name
108 Grammy category
109 Paris's Parc —— Princes
111 Not just any
112 Ground breaker
113 Tiny carp?



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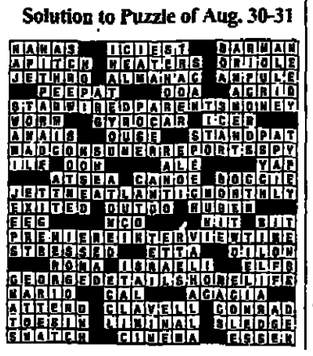
Solution to Puzzle of Aug. 30-31



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I.B.C., Hohenlohestr. Hermann-Bose-Str. Worship Sun. 17:00. Pastor telephone: 0421-78 648.

BUCHAREST

I.B.C., Strada Popa Rusu 22, 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3880.

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I.B.C., meets at *Morics Zsigmond* Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932.

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I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 659 666.

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I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

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Diana's Angry Brother Gets His Chance to Take Revenge on Press

By Christine Spolar
Washington Post Service

LONDON — For 500 years, the Spencer family has stood on one belief: God Defend The Right. This week, the closest relatives of Diana, Princess of Wales, the onetime Lady Diana Spencer, have been pursuing the family motto with a vengeance.

Earl Charles Spencer, the pale-cheeked younger brother of Diana, has been a voice of righteousness from a family in mourning, and some are wondering how he will handle perhaps the most difficult day of his life.

Saturday, he is to give tribute to Diana at Westminster Abbey. If this week lends any clue, the lord of Althorp Estate, the final resting place for Diana, will put his own stamp on how history remembers this Princess of Wales.

Hours after her death, Lord Spencer pointed blame for the disastrous car crash in Paris. Diana died escaping paparazzi, he said, and he clearly saw "blood on (the) hands" of every newspaper editor and owner who paid for intrusive photos of her. Late this week, he drew a line that set the tabloid press apart.

Editors of tabloid newspapers had invitations to the princess's funeral withdrawn on Lord Spencer's personal demand. It would have been his sister's wish, he said.

Friday, on the eve of Diana's funeral, another sign of the Spencer ire surfaced. The family filed a lawsuit in Paris, according to Reuters, that allows their lawyers access to the file dealing with six photographers and photographic agency motorcyclists placed under investigation for manslaughter. The action allows them to sue for damages if there is a trial.

The Spencers are as aristocratic as you can get without being royal, but few in their extended family have bothered to put a royal muffler over their grief.

Lord Spencer, three years younger than Diana and who for a time worked for NBC's "Today" show, has long hated the press that his sister generated and which splashed over on him. He has taken his own legal action, winning undisclosed libel damages from tabloids, to keep his private life out of the papers.

In 1994, he blamed the newspapers for the breakup of the marriage of Diana and Prince Charles. In the past year, he has struggled with press accounts of the breakup of his own marriage. Events of this week indicate he is turning his sorrow to carefully calculated use.

Lord Spencer and other relatives' emotional approach to Diana's death, a strong contrast to the restraint of the royal family, has played out in the daily press. Her mother, Frances Shand Kydd, spoke Wednesday to reporters about the "gift" of her daughter. Red-eyed and wan, she said she thanked God for "all her loving and giving. I give her back to Him with my love, pride and admiration." Lord Spencer, seen driving to and from the Spencer estate, has been grim-faced.

"Earl Spencer's anger is understandable but no one knows where it will lead," said one person from Northamptonshire, home of the family estate. "It looks like it's been a long time coming."

The Spencer family hails from country north of London, on an estate established in the 16th century. Althorp House was part of the wool trade that grew to a rich family business.

John Spencer was the original owner. His great-great-great grandson, Sir Robert Spencer, was reputed to be one of the wealthiest men in the kingdom in the 17th century.

The family split in the early 18th century. One branch became the Dukes of Marlborough. The other became the Earls Spencer, beginning in 1765. Diana was one of three daughters and a son born to the 8th Earl Spencer. The family home remained a notable English estate, "a typical prestigious aristocratic seat, the very best really," as Charles Kidd, co-editor of Debrett's Peerage, said this past week.

Diana's father was not involved in politics but was close to the royal family. His son viewed the queen as his godmother. One of his older daughters married the queen's private secretary, Sir Robin Fellowes.

But the Spencer family was never far from the limelight even before Diana's marriage into royalty. The divorce of Diana's parents, the end of a 13-year-marriage, was a bitterly contested and much publicized case recounted by daily newspapers in the early 1970s. Diana's father later married, in the mid 1970s, the daughter of the romance novelist Barbara Cartland, the former Lady Dartmouth, known as Raine.

With Diana's wedding in 1981, the Spencers were destined to remain fodder for the tabloids. The current Lord Spencer, a graduate of Eton and Oxford, in particular became a favorite for gossip columnists. He married Victoria Lockwood, a model, and the couple's subsequent rocky times were breathlessly reported.

In the past year, the earl moved to South Africa in an attempt to brush off public scrutiny.

Diana Said She Doubted Chances for Remarriage

Reuters

NEW YORK — Diana, Princess of Wales, did not expect to remarry because she doubted that anyone "would take me on" and felt safer alone, she said in an interview given before her death and published Friday.

Diana also said she would have made a good queen of England and would have been the "best team in the world" with Prince Charles, according to the interview with the New Yorker that was conducted by the magazine's editor, Tina Brown, in New York on June 23.

Asked by Ms. Brown if she would ever marry again, she said, "Who would take me on?

"I have so much baggage. Anyone who takes me out to dinner has to accept the fact that their business will be raked over in the papers. Photographers will go through their dustbins.

"I think I am safer alone."

Dodi al Fayed, who died with the princess in an auto accident in Paris early Sunday, was quoted by a relative early this week as having asserted that he and Diana were planning to marry.

In the interview in a special issue of the New Yorker, which broke a 72-year tradition by publishing early, Diana said that Prince Charles was not a leader and that she was investing all her hopes for the future of the British monarchy in her elder son, Prince William.

"All my hopes are on William now," she said.

"I think it is too late for the rest of the family. But William — I think he has it. I think he understands.

"I'm hoping he'll grow up to be as smart about it as John Kennedy Jr. I want William to handle things as well as John does."

She said Prince Charles was "a follower."

"He was born to the wrong job. He'd have been so happy with a house in Tuscany, being a host to artists," she said.

Diana also expressed regret that she would not become queen if Prince Charles were to assume the throne.

"We would have been the best team in the world," she said.

"I could shake hands till the cows come home. And Charles could make serious speeches."

She also expressed optimism about the Labour government under Prime Minister Tony Blair.

"I think at last I will have someone who will know how to use me," Diana said. "He's told me he wants me to go on some missions."

When asked what sort of missions, the princess replied that she would like to go to China.

The princess extolled the virtues of Prince Charles's younger brother Andrew and his sister Princess Anne.

In response to a remark by Ms. Brown that Sarah Ferguson, the Duchess of York and Prince Andrew's estranged wife, had not helped the royal family's image, Diana said:

"No. And it's a shame for Andrew, because he really is the best of the bunch.

"I mean, people don't really know this, but he works really, really hard for the country. He does so much and no one pays any attention at all.

"It's the same with Princess Anne."

Saturday's Funeral Service

Following are the highlights of the funeral procession and service Saturday for Diana, Princess of Wales.

Procession to Westminster

- The princess's body will leave her former home, Kensington Palace, on a gun carriage at 0808 GMT (9:08 A.M. London time) after being moved there from the royal chapel at St. James's Palace the previous night.

Each minute of the procession, which is expected to last almost two hours, will be marked by the part-muffled chime of a single bell at Westminster Abbey.

- Arriving at The Mall, which stretches from Buckingham Palace to Trafalgar Square, the procession will be joined by 553 people representing the 106 charities and organizations with which the princess worked.

It will be here that, if they so decide, Diana's former husband, Prince Charles, and the couple's two sons, Princes William, 15, and Harry, 12, will join the cortege and follow it to Westminster Abbey.

The leading pallbearer will be Captain Richard Williams, 29, a Welsh guardsman who won the Military Cross for distinguished acts of bravery, saving 100 civilians from Khmer Rouge guerillas while on assignment in 1994 for the United Nations in Cambodia.

- The cortege is scheduled to arrive at Westminster Abbey at 0955 GMT.

The Funeral Service

- The funeral service, lasting about 90 minutes, will begin at 1000 GMT.

The service will be sung by the choir of Westminster Abbey.

- Music before the service will include works by Mendelssohn, Bach, Dvorak and Pachelbel.
- The members of the Spencer family will be received at the Great West Door by the dean and chapter of Westminster.

The queen and members of the royal family will be received at the Great West Door by the dean and chapter of Westminster and conducted to their places.

- The cortege will enter the Great West Door.

The National Anthem will be sung.

The cortege will move to the choir and sacristy as the choir sings.

The Very Reverend Dr. Wesley Carr, dean of Westminster, will say the Bidding.

A hymn will be sung.

A reading will follow by Lady Sarah McCorquodale, the sister of the Princess of Wales.

The BBC Singers, together with Lynne Dawson, soprano, will sing from Verdi's Requiem.

Then a reading by Lady Jane Fellowes, the sister of the Princess of Wales.

All will sing Psalm 23.

- Prime Minister Tony Blair will read 1 Corinthians 13.
- Elton John will sing.
- The Tribute will be by the Earl Spencer, brother of the Princess of Wales.

A hymn will be sung.

- The Archbishop of Canterbury, the Reverend George Carey, will lead prayers for the Princess of Wales, for her family, for the royal family and for others who mourn.
- The choristers will sing:

Air from County Derry in G Petrie: The Ancient Music of Ireland (1853) Howard Arnold Walter.

- The Archbishop continues with a Blessing.

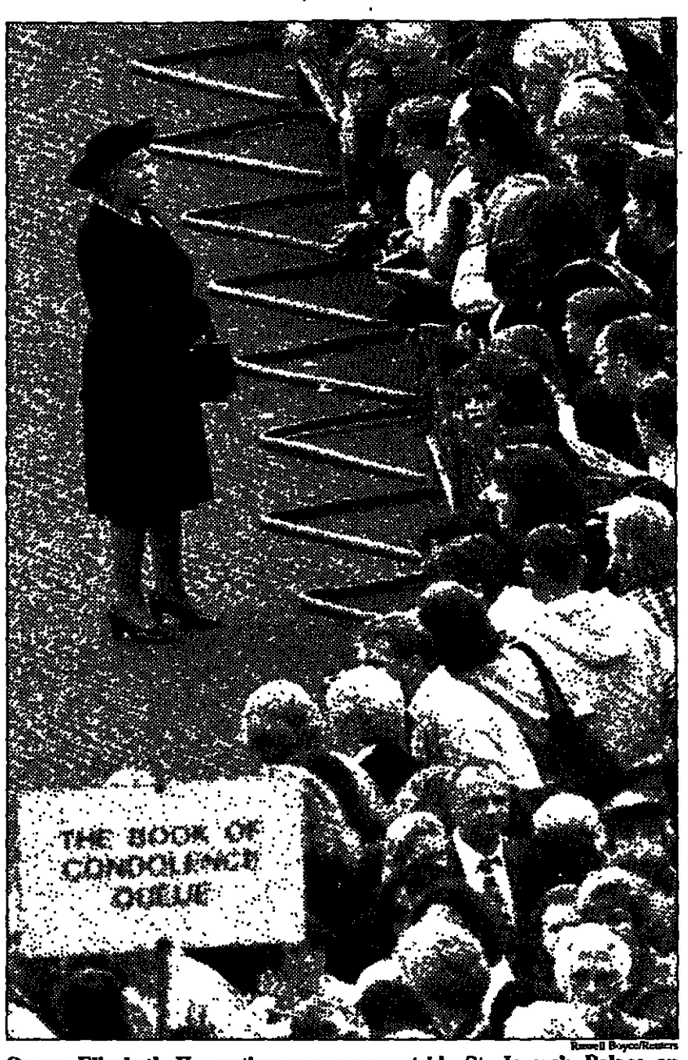
A hymn will be sung before the Commendation.

A Minute's Silence

- The cortege will leave the church, during which the choir sings. At the west end of the church the cortege will halt for the minute's silence, observed by the nation. The half-muffled bells of the abbey church will be rung.
- Music after the service: Bach and Saint-Saens.
- Following the funeral, Diana's cortege will proceed northward toward her final resting place among her ancestors.

From Westminster Abbey the cortege will pass: Buckingham Palace, Wellington Arch, Hyde Park Corner, Park Lane, Marble Arch, Oxford Street, Regent's Park and Lord's Cricket Ground.

- The cars will proceed to Althorp, 80 miles north of London, the estate of Diana's Spencer family in Northamptonshire. The cortege will leave public view at the gates of the estate. Diana is to be buried on an island in a lake on the estate.



Russell Boyce/Reuters

Queen Elizabeth II meeting mourners outside St. James's Palace on Friday after visiting the Chapel Royal where the coffin of Diana was lying.

LONDON: *Queen Addresses Her Subjects*

Continued from Page 1

had been made "so her grave can be properly looked after by her family, and visited in privacy by her sons." He said the public would be allowed to visit the grave for a number of weeks each year after "appropriate public safety and security measures" were taken.

The huge crowds that have gathered outside the royal palaces all week had set off fears among Great Brington residents that the hamlet of 200 people, which has no public parking, would be overrun by mourners and onlookers.

In the capital, hundreds of people camped out overnight outside Westminster Abbey to get a front-row view of the funeral procession.

"She gave so much love and we want to give some of that love back even if it is too late," Scott Simpson, a 17-year-old student from Chichester in southern England, told Reuters.

The police braced for crowds of more than a million and perhaps several million and urged people to stay off the roads around London and to use public transportation. The authorities also erected a third giant screen in Regent's Park, in addition to two in Hyde Park, to accommodate up to 70,000 viewers in another attempt to relieve crowd pressure along the funeral procession route.

The re-emergence of the royal family from the seclusion of Balmoral, and their public demonstration of emotion, however restrained, silenced much of the harsh criticism leveled at the family earlier this week.

Many people had complained that the family's lack of public grief epitomized the aloof, uncaring attitude that Diana had rebelled against, and a government minister, who spoke on condition of anonymity, spoke of a "very great danger" that the sympathy for Diana would turn into a backlash against the House of Windsor.

The queen and her husband, Prince Phillip, dressed in black, met mourners outside Buckingham Palace and nearby St. James's Palace, where Diana's body has rested before the altar of the Chapel Royal. It was taken during the evening to Kensington Palace, where the funeral procession will start on Saturday morning.

Queen Elizabeth's speech marked only the second time in her 45-year reign that she had addressed the nation outside of the traditional Christmas greeting and the queen's speech to open sessions of Parliament.

The queen implicitly acknowledged the recent criticisms with her reference to "our different ways" of coping.

Saying that "no one who knew Diana will ever forget her," the queen added that there were "lessons to be drawn from her life and from the extraordinary and moving reaction to her death. I share in your determination to cherish her memory."

Terry McDowell, who came from central England to join the crowd outside Buckingham Palace, told the BBC the queen had struck the right note.

"I think she touched on everything that people are feeling at the moment," he said.

The crowds of people waiting outside St. James's Palace to sign books of condolence were such that the authorities closed the line six hours earlier than planned, at midday, to ensure that everyone already in line would be able to sign before the end of the day.

'With Love From Diana'

LONDON — Diana, Princess of Wales, gave Dodi al Fayed a pair of cufflinks that belonged to her late father and a gold cigar clipper with a tag inscribed "With love from Diana," the Fayed family said Friday.

He gave her in return, the family confirmed, a $205,400 diamond solitaire ring shortly before they were both killed in a Paris car crash early Sunday.

"What that ring meant, we shall probably never know," said Michael Cole, spokesman for Mohamed al Fayed, the Egyptian-born billionaire whose eldest son was Diana's new beau.

Mr. Cole said Mr. al Fayed found the cigar clipper with the inscribed tag in Dodi's Paris apartment. He also said Mr. al Fayed had received "a most kind, generous and warm" condolence letter from Queen Elizabeth II. *(AP)*

PARIS: *Fayed Account Blames Paparazzi*

Continued from Page 1

Mr. al Fayed told a meeting of all Ritz employees Thursday that the driver, Henri Paul, had not been drunk and that reports saying he had been were "scandalous."

Mr. Paul's funeral, originally planned for Saturday in his home town of Lorient in western France, was postponed Friday, reportedly because blood-alcohol tests requested by his family have not been completed.

Judicial sources have said that the initial tests showed that he had blood-alcohol level more than three times the legal limit.

On Friday, sources in the prosecutor's office stood by the blood tests and said they were conducted by two independent experts.

According to officials at the Ritz, Diana and Dodi al Fayed touched down from Sardinia at Le Bourget airport north of the city about 3:30 P.M. last Saturday.

They were met by Mr. Paul, assistant security director of the hotel, in a Mercedes S-600 leased by the hotel. There was a follow-up car, a Range Rover.

Photographers were waiting at the airport, according to this account, and followed the convoy into Paris.

After an unspecified stop, the two cars headed to the Hotel Ritz on the Place Vendome in the center of the city.

The photographers were still behind, and tried to take pictures of Diana as the two entered the hotel about 4:30 P.M, the sources said. They spent just over two hours there.

Some time during the day, perhaps from the Ritz, Dodi al Fayed went to a neighboring jewelry store and picked up a diamond ring, reportedly valued at more than $200,000, that he planned to give Diana.

On Friday, an employee at the store confirmed that the ring had been picked up Saturday afternoon.

Diana and Dodi al Fayed left the Ritz about 7 P.M. and drove, still followed by the paparazzi, to Mr. al Fayed's apartment near the Champs-Elysee in western Paris, Ritz officials said. They said photographers were waiting for them at the apartment and that there was a scuffle there between the paparazzi and the security officials.

Although this allegation could not be confirmed, the manager of a nearby restaurant said a group of photographers had been in the street Saturday evening.

The couple had planned to eat at a fashionable restaurant called Benoit in central Paris, but abandoned their plans when they realized that the trailing paparazzi had grown in numbers and that they would not have any privacy at the restaurant.

Diana and Dodi al Fayed decided to return to the Ritz, where they knew they could eat undisturbed, and arrived at the hotel, photographers still following, without notifying the staff first.

The security video shows them moving through some photographers as they head toward the hotel, although the photographers do not appear to be blocking their movements. And it clearly shows Diana, followed by a security officer, Mr. al Fayed, then the bodyguard, Trevor Rees-Jones, entering the hotel.

The video also shows them leaving through the back entrance about 12:20 A.M. Despite the photographers' contentions that Mr. Paul taunted them that they could not catch him, the couple, the driver and the bodyguard are shown entering the waiting Mercedes alone. The car then drives away.

Mr. Paul, who had left work for the day, was called back to duty.

He arrived at the Ritz about 10 P.M. According to a Ritz official, he did not appear to be drunk while he was at the hotel, waiting for the couple to finish their dinner.

Other sources, most notably a private chauffeur who was at the hotel that evening, have said it was known that Mr. Paul drank when he was off-duty and that it was clear he had been drinking that night.

Union Jack at Half-Staff

LONDON — The Union Jack was ordered to be flown at half-staff over Buckingham Palace on Saturday for the first time in history, as a mark of respect for Diana, the Princess of Wales.

The red-and-gold Royal Standard is usually flown at Buckingham Palace but only when the queen is in residence. Otherwise, the flagpole is bare.

"This is the first time it will ever have happened," a palace spokeswoman said of the decision on the Union Jack. "The half-masting of the Union flag is at the queen's request. It will be flying all day until midnight."

The Royal Standard, symbolic of the continuity of the monarchy, is never flown at half-staff, even for the death of the sovereign. The standard was draped over Diana's coffin because she was a member of the royal family. *(AP)*

ISRAEL: *Freeze on Pullbacks*

Continued from Page 1

Bank and Gaza in exchange for Palestinian commitments to fight terror.

The toughest issues, on Palestinian statehood and the future of Jerusalem, were reserved for so-called final status talks that are supposed to begin once the troop withdrawals and other interim measures have been completed.

"From the beginning, Netanyahu wanted to stop the peace process," Mr. Arafat's spokesman, Marwan Kanifani, said in a telephone interview. "All the countries who took part in signing this peace agreement should take a position against this."

In some respects, the cabinet decision Friday merely formalized what Mr. Netanyahu and other senior officials have been saying for weeks.

Among other things, the ministers reiterated their view that the step-by-step approach favored by the Palestinians and the United States should be scrapped in favor of an immediate leap to final status issues.

But the overall message from the meeting Friday, in effect, is that Israel is suspending its participation in the Oslo process, at least until it determines that the Palestinians are holding up their end of the bargain by fighting terror.

Israel responded to the bombing with an immediate ban on travel by Palestinians into Israel from the West Bank and Gaza, between Palestinian-controlled cities in the West Bank and across land borders into Jordan and Egypt.

After the July 30 bombing, U.S. officials discerned a slight improvement in the situation when Palestinian security officials agreed to regular meetings with their Israeli counterparts in the presence of the CIA station chief in Tel Aviv. After the attack Thursday, however, Mr. Netanyahu canceled the meeting scheduled for the same night "as a way of punctuating their unhappiness" with the arrangement, according to a source familiar with the decision.

■ Commandos Carried Explosives

Israel said 10 marine commandos on the undercover raid in Lebanon were killed along with a military medical officer on a rescue mission, Reuters reported from Ansariyah, Lebanon. A 12th commando was missing and four were wounded. The Israeli chief of staff, General Amnon Shahak, said the commando force had landed on the Lebanese coast north of the city of Tyre, near Sidon. He said explosives they were carrying blew up when they were ambushed.

JAPAN: *Liberal Democrats Gain Majority*

Continued from Page 1

his party. Still, four years after their humiliating election loss, the Liberal Democrats are growing stronger every day.

Prime Minister Ryutaro Hashimoto, who heads the party, is enjoying enormous popularity. He is almost certain to be re-elected this month as party leader, meaning that he would stay on as prime minister, probably for two more years. In a poll last month, Mr. Hashimoto's support rose to 44 percent, the highest level since he took office in January 1996.

In recent months, the Liberal Democrats have been vigorously lobbying members of the New Frontier Party, the main opposition group, offering them attractive posts and party positions to encourage them to defect and rejoin the Liberal Democrats. More than 30 New Frontier legislators have left the party, including two former prime ministers, Morihiro Hosokawa and Tsutomu Hata.

■ Beijing Voices Concerns

President Jiang Zemin of China told Prime Minister Hashimoto on Friday that Tokyo's closer military ties with Washington were causing anxiety in Beijing, Reuters reported.

In a meeting in Beijing, Mr. Jiang voiced China's concerns about moves by Tokyo and Washington to expand their security alliance, a Japanese official said. "I'm quite sure you understand why China is sensitive about this issue," a Hashimoto aide quoted the president as having told the prime minister on the second day of his four-day visit.

Mr. Hashimoto stressed that Japan was peaceful. "I'd like the president to understand that nearly all Japanese have for more than 50 years been peace-loving and have renounced militarism," the aide quoted Mr. Hashimoto as having said in reference to World War II.

"Speaking as a neighbor, my hope is for a peaceful resolution of the Taiwan issue," he added.

Murder Allegations Dog Winnie Mandela

Agence France-Presse

JOHANNESBURG — President Nelson Mandela's former wife, Winnie, faced new allegations Friday that she helped to kill the teenage activist Stompie Seipei and ordered the 1989 murder of a Soweto doctor, Abu-Baker Asvat.

The British newspaper The Guardian said it had obtained a copy of an affadavit by a key witness who disappeared before Mrs. Mandela's 1991 kidnapping and assault trial.

The witness, Katiza Cebekhulu, claimed in the affadavit that on the instruction of Mrs. Mandela, he showed two men Dr. Asvat's offices before the doctor was murdered.

Nicholas Dlamini, one of two gunmen convicted of the killing, told the Guardian: "Mrs. Mandela promised us 20,000 rand to murder Dr. Asvat."

FRANCE: *Head of Airline Quits to Protest Refusal to Privatize*

Continued from Page 1

ization in France deepened further Friday when it was reported that outside investors would be offered only a third of France Telecom, the government-owned telephone monopoly.

That is too small a share for the company to become a nimble operator in international competition, analysts said.

Privatization is the prime instrument, many executives say, for shifting France away from an economy centered on the state toward a more entrepreneurial society. Although privatization is opposed by the government, especially its Communist members, Mr. Jospin has promised exceptions for companies that are exposed to international competition.

Air France and France Telecom have been seen as test cases of the government's willingness to turn over companies to private management, and the decisions about both companies sparked criticism from conservatives and even from moderate Socialists, including Michel Rocard, a former prime minister. He pointed out in a radio interview that France had committed itself to the privatization of Air France. "The problem is to determine whether the French Republic respects the engagements it signed in Brussels," he said.

Francois Leotard, a conservative leader, said it showed how the "ideological and political weight of the French Communists threatens to handicap France in international competition."

The French stock market took the Air France news calmly, apparently interpreting Mr. Jospin's willingness to sacrifice Mr. Blanc as a sop to the Communists in his coalition. Their support could be useful in negotiations next month with the trade unions on greater flexibility in France's labor market.

Even if privatization is only slowed and diluted, Mr. Jospin's move shook hopes among investors that his coalition had embraced the market-oriented economic policies of other Western countries.

The battle over Air France blew up ahead of a board meeting on Wednesday that had been expected to produce compromise language about privatization. Both Mr. Blanc and key cabinet ministers were said to be hoping to allow the process to advance, leaving the door open to possible privatization next year.

By then, Mr. Jospin, if his popularity continues, might be ready to see the Communists leave the government. In his resignation note, Mr. Blanc hinted that the dispute centered on timing, not on the ultimate principle of privatization.

"It is precisely on the speed of development that there was a disagreement," he said.

Transport Minister Jean-Claude Gayssot, one of the cabinet's three Communists, told Humanite, the party newspaper, this week that the state must keep control of the management of Air France. That question, operational autonomy, had been the heart of a compromise package under discussion between Mr. Blanc and Mr. Jospin, according to sources familiar with their talks.

Under Attack, Thai Leader Backs Charter

Compiled by Our Staff From Dispatches

BANGKOK — Facing revolt in his party and military over his opposition to a reformist constitution, Prime Minister Chaovalit Yongchaiyut announced Friday that his government would support the draft charter but try to amend it later.

The maneuver effectively postponed an attempt to kill articles in the draft considered crucial to cleaning up widespread corruption in Thai politics that is partly held responsible for an economic crisis that has spread throughout Southeast Asia.

The prime minister had run into opposition from the army and factions of his party for proposing Thursday that a committee be formed to change anti-corruption articles before Parliament votes on the charter.

By now agreeing to pass it first then amend later, Mr. Chaovalit would be staving off public disapproval while fighting another day to bury the measures attacking the current political system that brought him to power.

Mr. Chaovalit said that leaders of the six parties in his coalition had met Friday.

"We reached a consensus that all the six coalition parties will pass the draft constitution," Mr. Chaovalit said.

Mr. Chaovalit later confirmed his position in a statement to Parliament, which is debating the draft. After a weekend break, the debate was to continue Monday.

Support by the six-member coalition, which has 222 seats in Parliament, will help ensure passage of the charter, which must be approved by a majority of the joint session of the 393-seat House and the 262-seat unelected Senate.

Political analysts said support by the coalition would ease political tension and support efforts to resolve the country's economic crisis. *(AP, Reuters)*

Hun Sen's Forces Executed 40 Elite Opponents, UN Reports

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — Soldiers loyal to the Cambodian leader, Hun Sen, have methodically tracked down and executed at least 40 military officers or officials from the opposing royalist political party that he deposed in a July coup, according to a United Nations report.

The report, presented to Mr. Hun Sen in Phnom Penh by a senior UN official, links some of the deaths to an elite, special forces unit that figured prominently in the coup and allegedly tortured more than 30 military personnel.

It further identifies an apparent killing field for Mr. Hun Sen's victorious forces, an area roughly 100 kilometers southwest of the capital that multiple UN sources cited "as a location where many loyalists were executed and their bodies secretly buried."

Some of the victims described in the UN report died after being shot in the temple, the mouth, or the chest while others were beheaded or strangled. Some had their throats slit. Many of their bodies were hurriedly incinerated in pagodas, under military orders, while others were buried in shallow graves or dumped next to highways leading from the capital, according to the report.

"There appears to be a pattern of the deliberate targeting of certain senior officers and their key associates and subordinates," states the 24-page report, which was prepared by the Cambodia office of the United Nations Center for Human Rights in response to a public demand by Mr. Hun Sen for proof of human rights abuses associated with his coup.

Thomas Hammarberg, a special UN representative, turned the report over Thursday to King Norodom Sihanouk in Siem Riep and discussed the report later in the day with Mr. Hun Sen in Phnom Penh.

["No doubt the situation is serious," Mr. Hammarberg said at a news conference Friday in Phnom Penh, Reuters reported.

[Mr. Hammarberg said it was not clear if all of the killings were on the orders of senior commanders.

[Mr. Hammarberg said he wanted to see evidence of an improvement in human rights and action taken against what he called "the phenomenon of immunity," whereby those responsible for rights abuses were rarely, if ever, brought to justice.]

The UN office said it was still investigating allegations of 55 additional killings, 16 disappearances, and two dozen politically motivated arrests, including some that occurred in August. It described the number of executions listed in the report — at least 41 and as many as 60 — as a "conservative estimate" of the likely total.

Seoul Frets Over 'Hwang's List'

Defector's Spy Allegations Pose Dilemma for Government

By Nicholas D. Kristof
New York Times Service

SEOUL — Some of the most nervous people in South Korea these days are probably North Korean spies.

Several leading North Korean officials have defected so far this year, most recently an ambassador who fled to the United States in late August. These defectors are widely believed to have taken with them some tips about the large number of North Korean agents, informants, and sympathizers who have presumably burrowed into South Korean government and politics.

In particular, Seoul is buzzing about "Hwang's List," which is supposedly an account of North Korean agents and collaborators supplied by Hwang Jang Yop, the highest-level North Korean official ever to have defected. He sought asylum in the South Korean Consulate in Beijing in February and arrived in South Korea in April.

"From talking with those in the North in charge of subversive operations, I learned the fact that North Korean agents frequent the South as if entering their own homes," Mr. Hwang said at a news conference. He added that it was imperative for the South "to ferret out subversives within." Mr. Hwang had been North Korea's top ideologue, and he was accompanied in his defection by Kim Dok Hong, who had worked as deputy head of documents for the Central Committee of the Communist Party. The word in Seoul is that Mr. Kim was also very helpful in providing information about collaborators in the South.

The Agency for National Security Planning, the South's intelligence service, quoted Mr. Hwang as saying "a considerable number of North Korean underground organizations have infiltrated South Korean society." Also, the North Korean ambassador to Egypt, Chang Sun Gil, may have brought information about intelligence-gathering in the South with him when he defected to the United States recently. He is expected to face debriefings by South Korean intelligence experts.

All the buzz about Hwang's List has made opposition politicians alarmed. The Agency for National Security Planning is widely regarded as supportive of the governing New Korea Party, and some commentators have warned that the agency might pursue genuine or imagined spies in the opposition camp as a way of helping the party's prospects in the presidential election in December.

Senior government officials say they are in a delicate position. If they do not aggressively pursue leads from the defectors, they will be blamed for any intelligence failures. But if they investigate anyone close to the opposition, they will be accused of abusing their positions. "This is a real burden for the government," a senior official said. "We can easily be accused of playing politics, so we will have to act very cautiously." Another senior official, Ban Ki Moon, was quoted in The Korea Herald as saying the government would conduct public investigations on the basis of Mr. Hwang's statements only after the election.

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Ramos Keeping 'Options Open'

MANILA — President Fidel Ramos, who has said many times he has no intention of running for a second term, gave the strongest indication to date on Friday that he might run if permitted.

"I must keep my options open because it's not my personal future that is at stake here," Mr. Ramos said at a meeting with businessmen, when asked if he would run for re-election if the constitution were changed.

"It's the national interest and the people's well-being and if I must remain that way and get all kinds of flak, I am willing to go through that flak." *(Reuters)*

10 Pakistanis Killed, India Says

JAMMU, India — At least 10 Pakistani soldiers were killed and 20 others injured in renewed fighting on the disputed Kashmir border on Friday, an Indian defense source said.

"Pakistani troops opened fire in the Tangdhar sector," 425 kilometers (260 miles) from Jammu, the official said.

"We had to fire back. We destroyed 15 bunkers in the Pakistani village of Yadori," he said, adding: "We saw three ambulances carrying the dead and the wounded. Heavy exchange of fire is still continuing."

Earlier Friday, Indian defense officials said in the Kashmir summer capital of Srinagar that two Indian soldiers were killed and two injured on the Kashmir frontier in overnight border clashes. "It was unprovoked firing by the Pakistanis," a spokesman said. *(AFP)*

30 Die in Paraguay Stadium

ASUNCION, Paraguay — At least 30 people were killed early Friday and 500 injured when a storm leveled a rickety stadium in a Paraguayan border town, government officials said.

"This is the worst case ever of its kind in Paraguay," Public Health Minister Andres Vidovich said in Asuncion, briefing reporters on the number of victims. "Not even the floods have brought this toll of dead and injured."

Local media said strong winds had ripped off the roof and wall of the stadium in Ciudad del Este, 300 kilometers (185 miles) east of Asuncion while 3,000 people were inside Thursday night for a political rally.

The storm caused a citywide power outage, hampering early rescue efforts, but electricity has since been restored.

News reports said the damaged roof and wall of the stadium were makeshift structures that went up just over a week ago and had no foundations. *(Reuters)*

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Athenée Palace Bucharest Hilton, October 29-30, 1997

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President Emil Constantinescu will give the opening keynote address of the Romania Investment Summit. He will also host a special dinner for speakers, delegates and guests on the evening of October 29 at Cotroceni Palace.

The fact that President Constantinescu has agreed to support this summit as an integral part of the Romanian government's efforts to attract foreign investment is a measure of the importance of the summit.

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Jerusalem Bombings

Breaking the Cycle

Terrorist bombers strike. Israel responds by confining Palestinians to the Gaza Strip and West Bank, recriminations fly from both sides, and the Middle East peace effort sinks deeper into paralysis. This now-familiar sequence played out again on Thursday, which is why it is so essential that the latest suicide bombings in Jerusalem not deter U.S. Secretary of State Madeleine Albright from going to the region this coming week. President Bill Clinton wisely reaffirmed Mrs. Albright's travel plans when he learned of the new attack.

American assistance may not revive the peace talks, but without a hand from Mrs. Albright there seems little chance that Israeli and Palestinian leaders will be able to see past the cycle of violence that has disabled the peace effort. Mrs. Albright initially hoped to use her visit as a springboard to the final and most difficult phase of peace talks that would deal with issues like the status of a Palestinian state and the future of Jerusalem.

That goal now seems unrealistically ambitious, and Mrs. Albright will be lucky if she can nudge Prime Minister Benjamin Netanyahu and Yasser Arafat, the Palestinian leader, back into direct negotiations about narrower matters like security cooperation.

This summer's bombings have hardened positions on both sides.

Mr. Netanyahu is understandably reluctant to resume talks until he is sure Mr. Arafat is doing whatever he can to combat terrorism. Mr. Arafat's conduct since the last bombing, in July, has been anything but reassuring, including his very public embrace of fellow Palestinians associated with Hamas, the group most likely responsible for this summer's attacks. But Israel's confiscation of Palestinian tax revenues and its punitive closure of Gaza and the West Bank after the July attack have crippled the Palestinian economy and added to the climate of enmity.

Mrs. Albright cannot pick up all the pieces in one visit, her first as secretary of state. But she can help Mr. Netanyahu and Mr. Arafat see that the terrorists will prevail if Israel and the Palestinian Authority become locked in their own destructive spiral of hostility and punishment. Mr. Netanyahu and Mr. Arafat must climb above the violence that is engulfing them. Mrs. Albright can lead the way.

— THE NEW YORK TIMES.

Israelis' Ordeal

Palestinian terrorists are inflicting a terrible punishment on Israelis whose only offense is to be citizens of their state. Israelis cannot go out in the street without wondering if they or their children will return. It is an incredible ordeal.

Yet the wonder of it is the personal and collective steadiness the Israelis have shown in encountering this atrocious conduct. Despair as they must, they have not surrendered in policy or in spirit. People do go out in the street. The law has not been suspended in misplaced zeal. Vigilantes have not flourished.

On political issues, even those affecting the Palestinians, a conservative tendency holds, and was holding well before the summer's successive suicide bombings, but fear and revenge-taking have not unbalanced the society. Few other countries could have responded with like valor and balance. This is Israel's triumph over terrorism.

Again, after Thursday's Jerusalem bombings, Benjamin Netanyahu called on Yasser Arafat to police Hamas and other terrorist groups, which profit from sanctuary beyond Israel's borders. The Palestinian Authority said that full security cooperation had been ordered. The Arafat record is erratic and will have to be continually checked.

Meanwhile, the United States has offered a useful summary of what is required beyond security cooperation. Secretary of State Madeleine Albright says it must be accompanied by "unilateral Palestinian action" to preempt terror and destroy the terrorist infrastructure as well as to "create a political climate where there is no tolerance for terrorists."

These terms, enforced, would tax the Arafat regime severely but would also transform it from off-and-on coddler of terrorism to upholder of the normal international standard for good neighborliness. Why should Israel expect less?

President Bill Clinton said Thursday that Secretary Albright's scheduled trip to the Middle East this coming week was still on. Naturally, the agenda must center on security. That is the foundation on which the search for a negotiated political settlement can best resume.

— THE WASHINGTON POST

Special Counsel Needed

For months, Attorney General Janet Reno has cited a loophole in federal election laws as the reason she would not seek a special counsel to investigate campaign fund-raising abuses in the 1996 election. That loophole has now disappeared. It turns out that funds raised by Vice President Al Gore at the White House were indeed the kind of money that federal law says must not be solicited from federal property. Despite Mr. Gore's famous comment that "no controlling legal authority" restricted his actions, he appears to have broken the law.

Surely Ms. Reno will now see that only an independent counsel can guarantee a thorough and objective investigation.

Ms. Reno has at least acknowledged that the latest disclosures, which appeared first in The Washington Post (*IHT, Sept. 4*), require a preliminary inquiry and raise the possibility of a special counsel. President Bill Clinton defended his vice president on Thursday, but there were more embarrassing disclosures about Mr. Gore's activities as the Senate fund-raising hearings resumed. Three Buddhist nuns gave further details about a lunch at their California temple in 1996 at which illegally laundered money was raised for the Democratic National Committee.

Mr. Gore says he did not know the event was a fund-raiser, though the committee has disclosed plenty of documents showing that his staff knew.

More damaging to Mr. Gore was the report that some of the "soft money" he had raised in his telephone solicitations had been directed to individual candidates in federal elections. It is illegal for corporations or labor unions to contribute to federal campaigns or spend money to directly influence federal elections, for individuals to donate more than $1,000 per election to a federal candidate or for a political action committee to contribute more than $5,000 per candidate. These are known as limits on "hard money."

The Democratic and Republican parties have raised separate sums of money outside these limits, so-called "soft money," for party-building activities like voter registration and get-out-the-vote drives.

Last year, both President Clinton and Senator Bob Dole went further and used some of this so-called "soft money" for campaign advertisements. The Democrats now say they assigned a fair amount of the funds Mr. Gore said he raised in the White House to the "hard money" accounts of contributors who had not reached their limits.

These technicalities are significant because Ms. Reno has maintained that laws barring the solicitation of funds on federal property do not apply to "soft money" — her main reason for not naming a special prosecutor. But the laws surely apply to hard money. Mr. Gore's lawyers now maintain that it was his intention that counted, but that is obviously one of the many questions that ought to be decided by a special prosecutor.

The point here is not to catch the Clinton administration in a trifling technicality. The history of last year's activities is filled with abuses of longstanding restrictions on law and decorum. The best way to clean up the system is to ban the "soft money" dodge altogether. But only a special counsel can determine exactly what happened, when it happened and to what extent top people like Mr. Gore were involved personally in the abuses.

— THE NEW YORK TIMES.

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U.S. Imperium Is Impotent in the Middle East

By William Pfaff

PARIS — Terrorism has delivered what probably is the mortal blow to what already had ceased to be a Middle Eastern peace process. U.S. Secretary of State Madeleine Albright goes to the Middle East this coming week at a moment when the United States has all but lost its ability to influence events there.

The peace process has become a war process. The peace process was established by Israel's agreement at Oslo to trade land to the Palestine Liberation Organization in exchange for a halt to the PLO's terrorist campaign against Israel. But now it is Hamas that conducts the terrorist campaign, and Hamas is not a party to the peace process. Its purpose is to destroy it, and to destroy Israel.

After the Jerusalem bombings six weeks ago, Israel's prime minister, Benjamin Netanyahu, made further negotiations with the PLO contingent upon the delivery to him of what, even before Thursday's new bombings, had become a list of 1,500 Palestinians suspected of terrorist associations.

Yasser Arafat, however, is incapable of suppressing Hamas on Israel's behalf, as Mr. Netanyahu knows. For Mr. Netanyahu — and President Bill Clinton — to demand that Mr. Arafat do so is simply to provide a further rationalization to Mr. Netanyahu for terminating the peace process.

Neither Hamas nor Mr. Netanyahu wishes to see a settlement between Israel and the PLO on the terms set forth in the 1993 White House agreement. The former wants no settlement at all. The latter wants a nonsovereign Palestinian political entity totally under Israeli domination. In these circumstances Mr. Arafat has become an irrelevance. Israel and Hamas are allied against him.

Mrs. Albright will confront accomplished facts that preclude useful negotiation. She plans to visit Syria, but Mr. Netanyahu has already preemptively blocked territorial concessions to Damascus, removing the possibility of change on that front.

Mr. Netanyahu is doing exactly what he promised in his electoral campaign, in all but one respect. He campaigned to maintain or expand Jewish settlements on the West Bank, maintain an undivided Jerusalem as Israel's capital and keep the Golan Heights.

He is doing this single-mindedly, even brutally, and in defiance of the advice and policy interests of the United States; but he is executing the mandate voters gave him. Whether those voters will be pleased by an eventual return to the relations that existed between them and the Palestinians before the Oslo agreements will be known only in the future.

Because of Hamas, what Mr. Netanyahu is not delivering is security for Israel. Thursday's bombings were further demonstration that Israelis are less secure under his government than they were under the governments of Shimon Peres and Yitzhak Rabin. But that was foreseeable, indeed foreseen, when Israel's voters made their choice.

President Clinton has demonstrated that he is unwilling to exert political or economic pressure to change Mr. Netanyahu's program, and nothing he can do will change Hamas. Mrs. Albright can thus only pronounce the usual platitudes and issue the usual expressions of indignation, goodwill and trust in a better future — which assuredly will not arrive.

She is incapable of doing more because the United States has itself no serious policy in this matter — as in too many others. Control of American policy has in the last quarter-century been yielded to special interests, each of them capable of blocking initiatives it finds unacceptable.

These interests obviously include organized Israeli and Cuban lobbies in the United States, not because of the electoral force they represent but because of the campaign money they control.

They include the international trade interests whose financial support has been indispensable to the Clinton presidential campaigns, the organized leadership of the black and Hispanic electorates and to a mounting extent other ethnic lobbies. And of course the ineffable and ignorant Senator Jesse Helms, chairman of the Senate Foreign Relations Committee, continues to block any American policy decision he finds personally uncongenial.

Democracy at work, one might say. Alas, money at work. This is plutocratic power, not popular power, and very far from that power of informed reflection which Madeleine Albright, former university professor and foreign policy professional, might wish to exercise.

Never before has American foreign policy been so subordinated to the forces of factional or private interest and political demagogy.

This arrives, ironically, at a moment when some commentators rejoice in what they see as the United States' accession to international "imperium."

As the neoconservative intellectual Irving Kristol concedes, "it is an imperium with a minimum of moral substance." It is also without sustaining political substance, and in the circumstances that now prevail, it will find none.

International Herald Tribune.
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These Days, You Don't Have to Be Churchill to Become Myth

By Charles Krauthammer

WASHINGTON — The death of a celebrity, particularly a death as terrible and tragic as Diana's, creates a puzzle: Millions of ordinary people — people who never in real life come within miles of their icon's orbit — feel inexpressible grief, as if someone close to them had died.

The conjunction is crazy, but the grief is genuine. And that is what makes it so puzzling. How many of those who left that ocean of bouquets at Buckingham Palace had ever exchanged a word with Diana, or even a glance? In fact, they knew her only through her image in the tabloids and television, which are now despised and reviled by the very people whose every connection with Diana was created and sustained by the same tabloids and television.

How to account for this outpouring of grief? At one level, she seems the ultimate example — a pure laboratory culture — of the empty celebrity, famous for being famous. After all, John Kennedy, to whose death Diana's has all too often been compared, led the Free World (and very nearly blew it up). John Lennon, another celebrity martyr, created a new music. Diana did ... what?

She had beauty and grace and elegance. She was a stunning fashion plate with a few charitable causes and 43 covers of People magazine. But what did she do?

Historians of the future, noting that her funeral was the grandest in Britain since Winston Churchill's in 1965, will wonder. Churchill saved Western civilization, at times almost single-handedly. And when he wasn't doing that, he wrote two of the greatest historical works in the English language. How did Diana, beautiful and charming and little else, rise in popular consciousness to Churchillian proportions?

One answer is that in a media age you do not have to be Churchill to become myth. Beauty, charm, presence and shrewdness — the stuff of celebrity — will do. Hence Evita Perón. Hence Marilyn Monroe. Hence Elvis, who, 20 years after his death, is a quarter billion-dollar-a-year industry and the object of a reverence that approaches the religious. (Recent tabloid headline: "Elvis Tomb Found Empty.")

The movies have trained us in the extraordinary and historically unprecedented human experience of sharing a dream with a company of strangers. The worship of celebrity (more often than not, film stars) takes this communal mind-meld to the waking hours, to the level of mass daydream. In its most extreme manifestation — the feeling of a personal connection with public figures in fact utterly remote — celebrity worship is a kind of mass psychosis.

The enormous (and, in the media, at times monstrous) public display of grief over Diana is in part attributable to the usual confusions of celebrity worship. But only in part. Because Diana did actually do something — two things, in fact — without ever having set out to do them.

First, she stood up to the royals. They recruited her as a pliable ingenue, and she ended up besting them. She defied their rigidities and cruelties and, in the end, transcended the very royalty that had tried to dispose of her.

This is not, mind you, Natan Sharansky standing up to the KGB. But it is something. And it creates an identification with a reality — a mixture of fortitude and pluck — that is more than just infatuation with image. She stuck it to them. We admire those who stand up to the establishment, particularly those who do so against the odds and win.

Second, she suffered. Not extraordinarily, but paradigmatically. She was "the paradigm unhappy woman of today," observes Simon Jenkins of The Times of London. "She was a spokeswoman for those with impossible husbands, worried about their appearance, wrestling with divorce, careers, children, trying to match impossible expectations."

Which helps explain this otherwise curious phenomenon: The full flowering of her fame came not with her wedding but with her divorce. It was as the woman wronged, but who ultimately finds her way, that she made her mark. For all the shallowness of her tastes and companions, suffering gave her a depth and a seriousness. Her confusions and sorrows and successes gave a generation of women, also struggling with the burdens of liberation, a kind of standard-bearer.

Again, this is not the stuff of Marlborough or Wellington. But a media age tends not to produce a Wellington. It tends to produce a Travolta, who, in one priceless post-crash TV moment, offered his fullest services — "I want to be there for them if they need me, and I mean that literally, 24 hours a day" — to the grieving Princes Charles, William and Harry.

At a time when media and celebrity turn a riot of self-reflecting mirrors on public events and public people, it is consoling to think that all is not insubstantiality. Diana was kindly and tough and vulnerable. These simple attributes merit genuine sorrow for a life cut short.

Washington Post Writers Group

A Few Things That Sinn Fein Should Know About America

By Stephen S. Rosenfeld

WASHINGTON — Christine Black of The Boston Globe, the only American daily with a bureau in Ireland, put it fair and square to Gerry Adams, leader of Sinn Fein — the political wing or arm or front or whatever of the Irish Republican Army. Everyone is holding his breath to see whether, if talks disappoint the IRA, it will shoot more policemen, said Ms. Black. This is the overwhelming attitude of Americans, said the columnist Mark Shields.

This was news that Mr. Adams was not happy to hear. With his Sinn Fein leadership colleagues, he was on an American tour this past week, meaning to reap the political harvest of the British decision, following a new IRA cease-fire, to invite Sinn Fein into talks on the future of Northern Ireland. Mr. Adams was not pleased to be nagged, even by friends, on the terrorism issue, and at a dinner Wednesday night he strayed from it.

He preferred to talk about two other things, related. The first is the British history in Ireland that, by his telling, is not only long but irredeemably violent and anti-democratic. The second is the uphill battle he is waging against what he sees as British brainwashing of the American press, a matter of special concern at a moment when all-party negotiations are drawing near.

Somebody else's ancient duplicity and America's own innocence: These are the familiar contents of many a brief that foreigners seeking understanding and support for their cause regularly bring to these American shores. There is always some degree of substance to those appeals, too. In this instance, Britain's close ties to America have unquestionably won London the benefit of many unexamined doubts on the Irish issue. In any complex foreign quarrel, the American press, which is not an instrument of magic, is fair game.

But to Americans, anyway, this is not the heart of the matter, as the queries of my press colleagues at the Adams dinner indicated. The heart of the matter is that terrorism has no place in a democratic context. A situation in which one party has a secret illegal army and, at least implicitly, threatens to use it if negotiations do not go its way is fundamentally objectionable. This is the burden that Sinn Fein's association with the IRA places on it. Sinn Fein must cut the cord.

Everyone has his points to draw from history. Mr. Adams and his colleagues drew theirs the other night. They depict themselves as inheritors of the American civil rights movement and the South African anti-apartheid struggle, not to speak of the Palestinian national movement and the reunification of Germany, among other great historical sweeps.

But the American civil rights heroes were apostles of nonviolence, not sowers of Semtex. The freedom fighters in South Africa won a measure of respect for the integrity and essentiality of their struggle that Sinn Fein and the IRA can only envy. Yasser Arafat, a famous wobbler, is a risky figure for anyone to emulate. The reunification of Germany was peaceful and unique. And so forth.

As to how poorly or well Americans grasp the subtleties of the Irish-British conflict, what I find more pertinent than what Americans may not know about Ireland is what some Irish may not know about the United States. In this regard, it was good to see that during our evening with him, Mr. Adams evidently took a reading and indicated that he realized his people were coming on too strong. Yes, he finally acknowledged under questioning, some of the responsibility for its difficulties is Sinn Fein's too.

In fact, Sinn Fein is at a historical crossroads. It must turn from being the compromised attachment of a terrorist group to a legitimate and credible political party prepared to let the people, not the men with the guns, decide its fate. At the moment, Sinn Fein conceals its hand behind slogans and vagueness. It does not define the "compromise" it pledges. It puts off the hard decisions by citing the parallel conversions that must be undertaken by political fronts of the Protestant paramilitaries in Northern Ireland.

There is much speculation about the delicate intellectual and political balancing game supposedly being played out by Gerry Adams. He is trying to keep old connections to Irish nationalists — among them his own terrorists — who seek a united Ireland and to build new connections to unionist forces that are determined to keep Northern Ireland British.

For a small country, a world-sized dilemma. Mr. Adams's model in addressing it is evidently Nelson Mandela, but he is a long way from filling the role. Many people, in the United States and perhaps in Ireland, too, are holding their breath.

The Washington Post.

Prima Donnas of the Senate

By Norman J. Ornstein

WASHINGTON — As Congress returns to work, the battle over William Weld's nomination as ambassador to Mexico is one of the few stories quickening any pulses in the Capitol.

It has all the makings of a political drama: a moderate former governor fights the longtime nemesis of moderates, Senator Jesse Helms of North Carolina, accompanied by hot rhetoric about the soul of their party.

This wrangle has generally been viewed as simply a matchup of personalities. Besides Mr. Weld and Senator Helms, there are two other Republicans, Senator Richard Lugar of Indiana, who has stepped forward to challenge Mr. Helms, and Senator Trent Lott of Mississippi, the majority leader.

But that description is incomplete. The battle here represents an important change in the Senate itself: the triumph of rampant individualism.

When Mr. Helms, chairman of the Foreign Relations Committee, decided he would use his powers to prevent Mr. Weld's nomination from being debated, he was doing what comes naturally in a Senate that has been increasingly willing to tolerate capricious actions.

And for all of Senator Lugar's determination, most senators, including those who support the Weld nomination, are loath to join him at the barricades. It is not that they fear Mr. Helms; it is that they like a culture in which each senator can act as a prima donna, unilaterally blocking a nomination or a bill.

The seeds for Mr. Helms's actions were sown in the use of the "hold" in the Senate in recent years. The hold is a procedure that allows any senator to block consideration of a nomination or bill temporarily. It is nowhere in the Senate rules but evolved as a courtesy for senators who could not be present when a vote was scheduled or who needed time to bone up on a subject before the floor debate began.

In the past decade, the hold has been distorted into a regular, often anonymous practice that senators use to kill nominations or bills or to hold them hostage for extraneous considerations. Instead of being limited to two weeks, holds now extend indefinitely.

Another traditional tool, the filibuster, has changed as well. Now the mere threat of one, even by a lone senator, automatically raises the bar for the legislation in question, so that it needs 60 votes for passage instead of the bare-majority 51.

To his credit, Senator Lott has been trying to halt this transformation of traditional concerns for minority rights into a rule of prima donnas.

But he has been unwilling to challenge Mr. Helms on the Weld case, and he is not finding many of his colleagues enthusiastic about his efforts to rein in their caprices.

Mr. Weld has not helped himself with his noisy campaign. But if his nomination goes down without a hearing, floor debate or vote, the casualties will extend beyond him, to the Senate itself. Even the small moves toward discipline in the body will be washed aside.

The writer, a resident scholar at the American Enterprise Institute, contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: French Sons

PARIS — A movement is on foot to organize a branch society of the "Sons of the American Revolution" in Paris. The objects of the society are to perpetuate the memory of the men who served in the war of the American Revolution and to promote fellowship among their descendants. There are in France many descendants of those Frenchmen who so unselfishly, nobly and bravely participated in the dangers of our early struggle for independence; it is most fitting and proper that there should be a branch of this society in our sister republic.

1922: Restrictive Act

WASHINGTON — Following many cases of real hardship in which families were broken up because children were born in a country which was not the native home of their parents, and so were not able to enter the United States under the new immigration quota law, Secretary of Labor Davis has stated his belief that this law has outlived its usefulness. "The restrictive act," he says, "served very well as a temporary measure in conditions responsible for its enactment, but a permanent immigration policy should be upon an entirely different basis."

1947: War Pilgrimage

PARIS — American Legionnaires arriving in Paris on a pilgrimage to European battlefields will be the first to receive a brand new inter-Allied medal that the French government is unwrapping for the occasion, François Mitterrand, French Minister for Veterans and War Victims, said. He also emphasized the importance France attaches to the arrival of the 150 Legionnaires from the point of view of Franco-American friendship.

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After Impressionism: The End of an Era

Christie's Redefines Art

International Herald Tribune

LONDON — In a major announcement to be made on Monday, Christie's, currently the leading international auction house, will effectively be declaring the end of an era during which Impressionism led the market. This momentous change of direction is likely to be followed by dramatic alterations in the shape and structure of the auction world.

As of Jan. 1, 1998, "Impressionist and Modern Painting" sales, as they were called until June 23 this year, will be no more. All paintings from the

SOUREN MELIKIAN

1830s to 1900 on will be sold under the denomination "19th Century Pictures." It will cover anything from an early Italian landscape by Corot to Toulouse-Lautrec, the Nabis and the Symbolists, including "Orientalist" and "Salon" paintings, many of which equate with Academic when not even outright kitsch.

In a parallel move, "20th Century Pictures" will merge modern masters (the Fauves, Cubism, Matisse, Picasso in each one of his incarnations) with post-World War II schools down to 1970, which were hitherto labeled "Contemporary." Henceforth, "Contemporary Art" at Christie's will not predate 1970.

This is a watershed, the most important since the Jakob Goldschmidt sale of seven Impressionist paintings held at Sotheby's, London, in 1958, when Impressionism became the art-market locomotive.

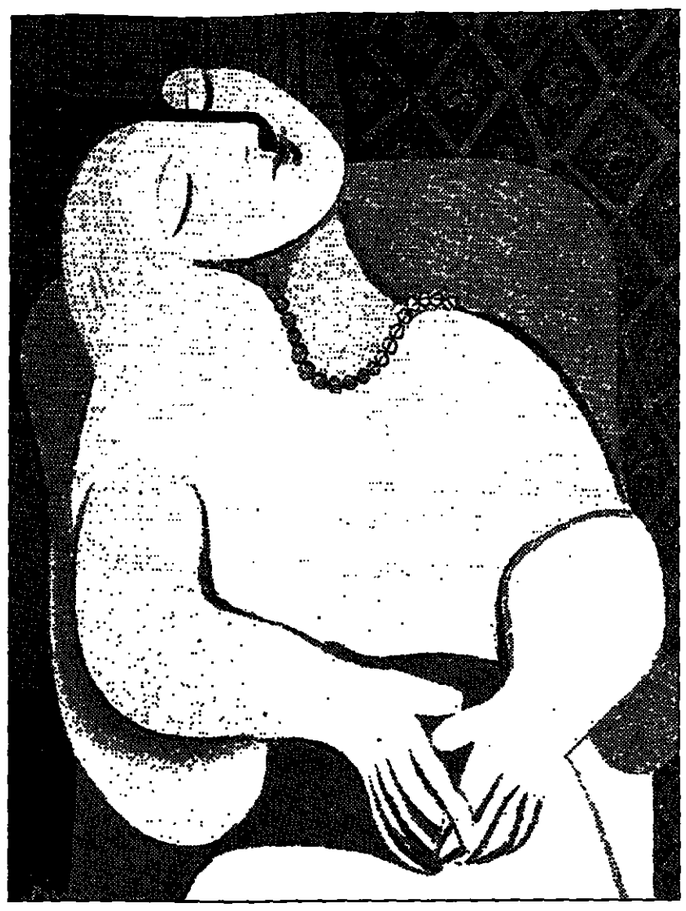
The readjustment was inevitable. In the last few years, it became increasingly evident to professionals that Impressionism was fading away from the auction scene. There are hardly any pictures left in that rarefied category that justify using the word "masterpiece," nor is there much available in the middle range.

The John and Frances Loeb auction held at Christie's, New York, last May seems to have brought the awful truth abruptly home to Christie's top executives. It was a mixed bag even if it netted a phenomenal $92.78 million thanks to the power of auction house sloganeering. The sale had another effect. John Lumley, head of the 19th and 20th Century Picture Department at Christie's International, says that he and his colleagues were "struck by the fact that several buyers in the middle range of Impressionist and Modern pictures were also those that bid over the other paintings." These "other" paintings included, for example, Boldini's portrait of "Madame Rejane," an actress with plenty of dark curls and heavy makeup cuddling a beribboned poodle. Why not offer more of that mix in the future?

Similar developments account for the creation of the "20th Century Pictures" category. Fauves, Early Cubists and Abstractionists are also making their exit from the auction scene. Adding post-World War II pictures on top will help in filling up the catalogues. Lumley prefers to cite semantic accuracy: "We could hardly go on calling 'Contemporary' works of art created 40 or 50 years ago. We are getting back to where we stood in 1972 when 'Contemporary' described pictures painted 20 or 25 years earlier."

More convincingly, Hugues Joffre, the driving force behind the London Contemporary Art Department before taking up his present post as director of Christie's France, observes that many major collectors of early 20th century masters have moved down the line chronologically as they found less and less to satisfy them in pre-World War II art.

The truth is that collectors have no choice but to pull out or follow the market, and the market it is that made the decision for Christie's, rather than their fine sense of art historical logic.



"Le Reve" by Picasso will now be grouped with works by Jasper Johns.

CHRISTIE'S decision goes far beyond rearranging categories. It will change the art market structure. Sotheby's is bound to fall in line — the dwindling of art supplies poses the same problem for all. But the greater impact will be on the world's art market centers. London could conceivably sink.

As Lumley notes, there has been a massive shift at auction from dealer to private-collector buying over the last three decades. On Dec. 1, 1967, in the historic sale where Monet's "La Terrasse a Sainte Adresse" sold at Christie's for £588,000 ($1.4 million at the time), dealers accounted for more than 80 percent of the turnover. In Christie's June 23 sale this year of "Impressionist and Modern Pictures," the respective positions were virtually reversed — 75 percent of the works, in terms of value, went to private buyers.

The consequence is that there is hardly any future for London in 19th- and 20th-century pictures, because in the $8 million-plus league half the private buyers are American and in the middle range Americans account for two-thirds of the buying. Vendors know this. In the last two years, they have been clamoring in droves for their wares to be sold in New York. London is now in danger of becoming irrelevant in this area. That may also happen in the more traditional sectors of 19th-century painting. Whether the talk is about the Barbizon school or the Nabis, there are far more private buyers in France and the rest of Continental Europe than in Britain.

Already auction professionals have their sights firmly set on Paris. Sotheby's, running well ahead of Christie's, has all but completed the refurbishing of what will be their prestigious Paris sale room in the Galerie Charpentier, a famed art space where old Parisians remember seeing some of the most remarkable art shows of the 1950s. Christie's, one hears, is currently negotiating the acquisition of a vast location.

But more important than the locations are the people running the show. Joffre is, with Martha Baer and Christopher Burge in America, one of the auction houses' three leading connoisseurs of the 20th century. Under Joffre's stewardship, Paris doubled its turnover from 1995 to 1996. He should be the natural choice as Christie's premier auctioneer of 20th-century art on this side of the Atlantic. This is likely to make Christie's an increasingly attractive beacon to European vendors once the English auction houses can conduct sales in Paris in complete freedom, as European Union regulations demand. That day might be some time in the fall next year.

In the shorter term, the sale of the Sally and Victor Ganz collection of 20th-century paintings and sculpture, very conservatively estimated to be worth $125 million, will be held at Christie's in New York on Nov. 10. With Picasso, Jasper Johns and others among its 115 works or so, it is sure to be the biggest sale ever of 20th-century art. That should go some way toward putting Christie's new category "20th-Century Pictures" firmly on the map.

'Wings of the Dove' Soars at Venice Fest

Roderick Conway Morris
International Herald Tribune

VENICE — Physical passion plays a prominent role in Henry James's "The Wings of the Dove," creating a hazard for contemporary filmmakers who might be tempted to overemphasize that the author, generally associated with more cerebral investigations of human relations, not only knew about sex but even wrote about it.

Rather than focusing on this, however, the film's director, Iain Softley, and scriptwriter, Hossein Amini, have tended, by modern standards at least, toward an almost Jamesian restraint. The result is an outstanding adaptation of the novel, one that remains faithful to the principal themes and moral issues without trying to address all the book's complexities — something that would be impossible on the screen in any case.

Easily one of the best films that premiered at the festival, "The Wings of the Dove" appeared out of competition, in the British Renaissance section, since one member of the cast, Charlotte Rampling, had already been appointed a member of the jury.

Kate (Helena Bonham Carter) has become the ward of her wealthy Aunt Maude (Rampling) after the death of her mother and the descent of her degenerate father (Michael Gambon) into the lower depths of London's seedy pubs and opium dens. Kate has a secret and unsuitably impecunious admirer, Merton Densher (Linus Roache), whom she cannot marry without being cut off by Aunt Maude (who is also subsidizing her father's addictions). Into this impasse comes Milly (Alison Elliot), a young and immensely rich American heiress, who is passing through London on her way to Venice.

Milly, it emerges, has not long to live, but falls in love with Merton (unaware that Kate and he are more than friends). Kate and Merton follow her to Venice, seeing in the possibility of a legacy from her the solution to all their problems.

The darkening tale of the fortune hunters and their prey is set in the novel in a more crowded social scene, but has been stripped down in the film to concentrate on the central triangle. Bonham Carter's rendering of a complicated and ambiguous character is excellent. And Elliot's portrayal of Milly, a good and emotionally generous person who is doomed but painfully in love with life, is highly accomplished.

The visual imagery is skillfully handled, while the suspense is maintained to the last frames — and Eduardo Serra's cinematography, especially in Venice, is superb.

The expatriate Hong Kong journalist John (Jeremy Irons), like Milly, is dying of a rare blood disease in Wayne Wang's in-competition "Chinese Box." John's misery is compounded by the prospect of expiring without making love with "the only woman I can't have." Vivian (Gong Li), a former prostitute who has been set up in semi-respectability with her own bar by a rich local businessman, Chang (Michael Hui).

Slick, brash, frenetic, but at the same time majestic in panorama, the glittering water-girded anthill of Hong Kong is stunningly captured. Indeed, in the end, Hong Kong itself becomes the main character of the film, overshadowing the private drama and creating the sensation that only the city is palpably real, while John and Vivian's story remains what it is — pure fiction.

A more integrated blend of fact and fiction is "Ovosodo" by the promising young director Paolo Virzi. Set mainly in Ovosodo (which means literally "boiled egg"), a working-class district in the port city of Livorno, the title is also the nickname of the young hero (engagingly played by Edoardo Gabriellini), whose growing pains from childhood to early manhood we follow in this acute, enjoyable, often funny, picture of the realities of Italian life.

TAKESHI KITANO'S "Hana-Bi" (Fireworks) marks the Japanese writer-director's return to the screen as the main protagonist, playing Nishi, a legendary cop who leaves the force to take care of his dying wife after his long-term partner ends up in a wheelchair, having been shot in a stake-out, and after another policeman is killed while Nishi and his colleagues are trying to arrest the gunman. Nishi robs a bank to pay for a last holiday for his wife and help out his crippled friend and the dead policeman's widow, and is soon being pursued by both the law and a group of gangsters. "Hana-Bi" is often puzzling — there is virtually no dialogue — at times violent, at others touching, but achieves some haunting cumulative effects.

Harold Pinter makes a rare appearance in "Mojo" (directed by Jez Butterworth), set in a Soho rock'n'roll club in London in 1958. Pinter is mesmerizingly creepy as the aging, liver-complexioned, sexually predatory, old-style Cockney gangster Sam Ross in a film that is otherwise full of sound and fury but adds up to very little.

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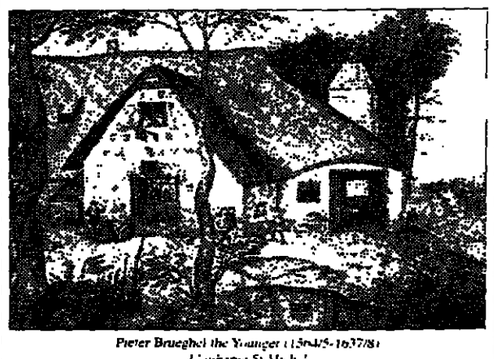

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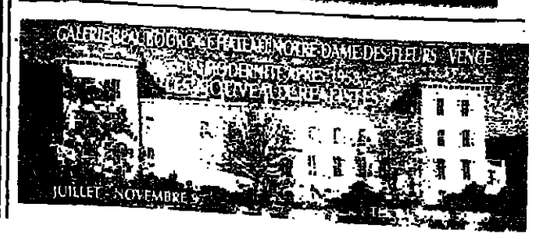

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West Fails To Strike Oil In Russia

Frustration Sets In As Projects Stall

By Michael R. Gordon
New York Times Service

MOSCOW — When Boris Yeltsin was re-elected president last year, it looked as if Russia was finally about to roll out the red carpet for Western oil companies.

The Russian economy had a crying need for new investment. Its oil production was lagging. The West was touting multibillion-dollar projects to tap Russia's vast oil deposits. With

ECONOMIC SCENE

Mr. Yeltsin's free-marketeers in charge, the opportunity to turn the economy around was supposed to supplant endless ideological debate.

But instead of moving smartly ahead, several major new oil projects have been put on hold.

Even some old deals are coming unstuck.

Frustrated Western oil companies have begun to cut their Moscow-based staff and redirect their attention from Russia to the oil deposits in Kazakstan, the Caspian Sea region, Venezuela, and even Equatorial Guinea, one of the poorest countries in Africa.

Among the reasons for the setbacks are objections raised by die-hard

Taxes diminish profit at top Russian oil producer. Page 11.

Communists suspicious of the West and local leaders anxious to increase each region's take.

But in the strangest twist of all, Russia's swashbuckling new capitalists have created some of the biggest roadblocks. Calculating that the economy will imprpve on its own, some Russian financiers want to keep more of the black gold for themselves, even if it means forgoing foreign money and technology and letting the crude oil simply sit in the ground for now.

To be sure, some older oil drilling ventures are still moving forward. But the list of stalled projects includes some of the most highly touted multibillion-dollar investments:

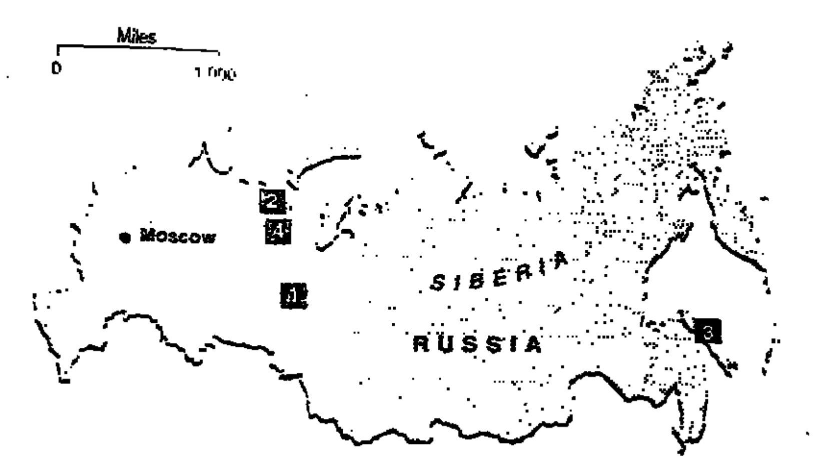
- Amoco Corp.'s huge project to develop the North Priobskoye oilfield in Western Siberia has been sidelined by problems with Menatep, its Russian partner and one of Russia's most powerful banks.
- The Timan Pechora project in the frigid Nenets region in Russia's far north has been thwarted by local authorities, who insist they may no longer need American help to unlock the territory's oil riches.
- Conoco Inc.'s Northern Territories Project has been stalled by similar problems with Nenets authorities. Conoco is a unit of Du Pont Co.

Three companies that have been extracting oil for years under joint ventures with the Russians recently protested that Moscow had changed the terms of their deals by ending their privileged access to Russia's clogged oil pipeline and raising excise taxes.

The companies, Conoco; Phibro Energy Production, a unit of Salomon Brothers Inc., and Anderman/Smith Overseas Inc., insist the new arrangements make it harder to recover costs. But with newly privatized Russian oil companies now lobbying heavily for pipeline access, Moscow has yet to heed the Western complaints.

The sheer vastness of Russia, its harsh climate, its limited network of pipelines, and the burden of outdated Soviet-era technology have made oil

See OIL, Page 13



Allies or Antagonists?

As capitalism continues to take root in Russia, Western oil companies have become frustrated in their attempts to go forward with multi-billion dollar projects to tap the country's vast oil deposits. Sensing an improving economy, some Russian companies are trying to get out of existing deals with Western partners or seeking to renegotiate better terms. Here is the status of some major oil projects in Russia.

STALLED PROJECTS

Project	Western partners	Estimated reserves	Investment
PRIOBSKOYE (1)	Amoco	4.7 billion barrels	$100 million so far; Projected $57 billion
NORTHERN TERRITORIES (2)	Conoco	500 million barrels	About $95 million so far; Projected $1.5 billion
SAKHALIN 3 (3)	Mobil, Exxon, Texaco	Nothing determined	Projected $150 million on exploration
TIMAN PECHORA (4)	Texaco, Amoco, Exxon, Norsk Hydro	2.4 billion barrels	Projected $50 billion; millions already spent

Sources: Petroleum Intelligence Weekly; Conoco

NYT

Malaysia Leads an Asian Rally

Buying Frenzy Sends the Kuala Lumpur Market Soaring 12%

By Thomas Fuller
Special to the Herald Tribune

KUALA LUMPUR — Stock markets and currencies across Southeast Asia rallied Friday, a day after Prime Minister Mahathir bin Mohamad of Malaysia backed down on stock-trading curbs and put large-scale infrastructure projects on hold.

Weeks of recrimination over the handling of the Malaysian economy gave way to a buying frenzy Friday that saw the stock market soar 12.37 percent, stopping a slide that had dragged down the main index more than 40 percent since the beginning of the year.

Indonesian stocks ended the day 11.28 percent higher and both Singapore and Thailand registered rises of more than 3 percent.

The Malaysian ringgit and Indonesian rupiah rebounded strongly against the dollar, while the Thai baht and the Philippine peso stabilized.

Investors in Malaysia cheered the announcement by Mr. Mahathir late Thursday that certain projects — including the construction of a $6 billion hydroelectric dam on the island of Borneo — would be postponed. A rash of construction projects undertaken by Kuala Lumpur in the past few years, among them ports, highways and the world's tallest buildings, helped contribute to the country's ballooning import bill.

"This change of heart over the construction projects has been a watershed," said David Shairp, Asia strategist at Caspian Securities Ltd. in London. "For some of the foreign institutions there is clearly every danger of being too aggressively underweight in this market."

Other analysts and fund managers were more cautious in their assessments of the stock market surge and said if foreign funds returned to the market they would trickle, not rush, back into the country.

"Obviously what's happened today is a bit of an overreaction," said Patrick Tan, investment director at Rothschild Asset Management (Singapore) Private Ltd. "The buying was very euphoric."

It was, nonetheless, a day of reconciliation between Mr. Mahathir and foreign market players, whom the prime minister in recent weeks had blamed for the fall in the market.

Mr. Mahathir chose not to mention economic issues in an address to his political party Friday, and a source in the Finance Ministry said government economic advisers had been directed to meet with foreign fund managers "soon," presumably to hear the managers' concerns about the direction of the economy.

But Mr. Mahathir did express skepticism about a press report that funds run by the financier George Soros had bought ringgit during its recent slide.

"I will believe it when I see pigs fly," Mr. Mahathir said of the report.

The prime minister eliminated a major point of contention with fund managers Friday when he lifted restrictions on the short-selling of blue chip stocks. The rule had stranded many traders' positions because of its hasty implementation last week.

Also Friday, the government released trade figures for July showing a 900 million ringgit ($296.5 million) deficit. The release of the data had been delayed and followed the huge 2.8 billion ringgit deficit for June.

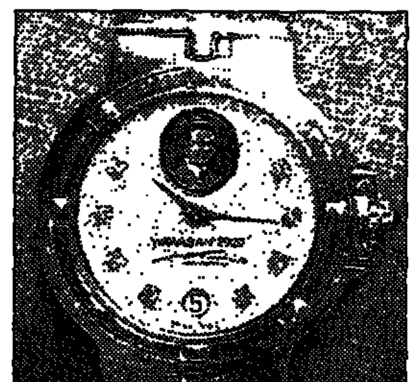
Analysts took comfort that the spate of bad trade news was being addressed by the government. Deputy Prime Minister Anwar Ibrahim said Thursday that the cabinet would announce measures to combat the deficit over the next few weeks.

But analysts said there were challenges ahead for Malaysia's economic planners. "A lot of things haven't quite changed," Mr. Tan said. "One, we're going to see a slowdown in economic growth. Two, we're going to see a further deterioration in corporate earnings. Three, corporate and personal leverage is still very high. Red lights are still flashing."

Among other projects postponed Thursday were the construction of an airport to service the north of peninsular Malaysia and a central highway.

But Mr. Mahathir said Friday that some projects now deferred could be put on a fast track if the economy recovered.

He also said that a 60 billion ringgit rescue plan he announced two days ago to support the stock market would be put on "standby" because the market was already recovering.



Mike Fiala/The Associated Press

A picture of Mr. Mahathir adorning a watch for sale Friday at a meeting of his party in the capital.

Thais Get Some Help on Currency Plea

By Thomas Crampton
Special to the Herald Tribune

BANGKOK — Yielding to pressure from the Thai government after closed-door meetings here, some major industrial companies agreed Friday to delay sending payments for foreign-currency debts in an effort to stabilize the beleaguered baht, company sources said.

It was unclear how much money the government's persuasion managed to keep from being transferred out of the country. However, one Japanese affiliate said later that it had agreed to delay payments totaling $100 million.

Other companies said they had refused the request, or they declined to discuss their decisions.

"The question is, who will be responsible if oil companies suffer a loss by a continued fall of the baht," said an executive of a U.S.-based oil company. He said his company was unlikely to participate because the parent company would not approve.

In a further effort to bolster its currency, the government is also attempting to induce companies to move more quickly to repatriate foreign-currency earnings on exports.

The stakes are high. The combination of faster forced repatriation of these earnings and delayed foreign-debt payment would be an enormous help for the baht, said Arporn Chewakrengkrai, chief economist at Deutsche Morgan Grenfell.

Ms. Arporn estimated that delayed debt repayments for the remainder of the year from the dominant oil and automotive sectors alone would be worth $3 billion, which would almost wipe out the current-account deficit.

Faced with the rapid fall of a currency that had held an almost constant value for more than a decade, Thai companies have taken to hoarding funds abroad. These holdings have turned into a self-fulfilling bet against the baht.

The currency, floated on July 2, has depreciated more than 40 percent since the beginning of the year as the country's economic crisis deepened. On Friday the dollar rose against the baht, along with other Southeast Asian currencies, to 37.05 baht from 35.65.

The baht's descent has badly burned much of corporate Thailand by raising the cost of repayment on unhedged dollar-denominated debts. Now, exporters keep their foreign earnings in dollars as long as legally allowed, while those selling foreign goods in Thailand exchange baht earnings into dollars as soon as possible.

Thai companies reluctant to hold baht helped bring the currency to all-time lows Wednesday and Thursday, currency dealers said. "No corporates want to keep baht until it steadies out," a dealer at one bank said.

By pressing domestic and foreign companies, including in the oil and automotive industries, to delay repayment of foreign debt, the government has begun battling this local undertow on the currency. The finance minister also said he might shorten the 180-day deadline for repatriation of currency earned from exports.

"Oil companies do not want to delay repayment," said Piyasavasti Amranandha, secretary-general of the National Energy Policy Office. "They are concerned the baht will devalue further."

In one of the meetings Friday, the Thai Automotive Industry Association gathered to consider a Ministry of Industry request to delay foreign currency payments.

"Everyone will decide by themselves," said Masao Kuramoto, executive vice president of Tri Petch Isuzu Sales Co., a joint venture of the Japanese companies Mitsubishi Motors Corp. and Isuzu Motors Ltd., "but we chose to delay the planned repayment of offshore debts from September to December."

Mr. Kuramato said the delayed repayment was worth about $100 million.

Mannesmann Joins Up With Olivetti

Mobile Phone Venture to Cost German Company $1.3 Billion

Compiled by Our Staff From Dispatches

DUSSELDORF — Mannesmann AG said Friday that it would pay 2.4 billion Deutsche marks ($1.32 billion) to join forces with Olivetti SpA and challenge state-run Telecom Italia SpA in Italy's fast-growing mobile phone market.

Mannesmann, a German machinery and telecommunications company, said it was buying a 49.9 percent stake in a new venture with Olivetti that includes Omnitel Pronto Italia SpA, the largest private mobile phone company in Italy, and Infostrada SpA, Olivetti's ground-based voice, data and Internet company.

Mannesmann "really needed to expand abroad, especially in Southern Europe, so this was a good move," said Thomas Schiessle, an analyst at Delbrueck & Co. "Italy is an interesting market because it is already ripe. So the returns will be high, whereas Germany is a developing market."

"This looks like a deal that can solve Olivetti's main problem at the moment, which is the high level of its debt," said Marco Nascimbeni, at Merrill Lynch Capital Markets in Milan. "But it will also lead to a dilution of Olivetti's involvement in telecommunications."

Besides linking Italy's and Germany's two largest private mobile phone companies, the venture will speed Olivetti's long-planned transformation from an unprofitable office products and computer maker to a telecommunications company.

Olivetti, which posted a loss for 1996 of 915 billion lire ($516.5 million), has been looking for partners and buyers for its various units, including part of its information and services division.

Olivetti is also hoping the venture will resolve conflicts between its current Omnitel telecommunications partners, which include France Telecom SA and Bell Atlantic Corp., and bring it much-needed cash as it takes on Telecom Italia Mobile SpA, the mobile phone subsidiary of Telecom Italia.

Omnitel, with more than 1.5 million customers, has about 17 percent of the Italian mobile phone market.

"Mannesmann and Olivetti have an excellent synergy between them," said Giulio Baresani, a funds manager at Prudential Fondi in Milan. "The Mannesmann accord is more than enough to transform Olivetti shares from 'stay away' to 'definite buy.'"

Mannesmann shares gained 21.50 DM, or 2.4 percent, to 910.50 in Frankfurt. Olivetti shares, which gained 2 percent Thursday to close at 771 lire, were suspended Friday in Milan.

The Olivetti-Mannesmann venture values Omnitel at 14.5 trillion lire, Olivetti said, and Infostrada at 300 billion lire.

Mannesmann, which has long sought a way to enter the Italian market, said it initially would pay 1.1 billion DM for a 25 percent stake in the venture with Olivetti by the end of this year. The German company said it will pay an additional 1.3 billion DM by 2000 to raise its stake to 49.9 percent.

Mannesmann said it would buy 25 percent of Olivetti's planned capital increase as well as during a sale of convertible bonds. Olivetti's bond sale and capital increase, Mannesmann said, are each expected to raise up to 335 billion lira.

"Mannesmann would not have much problem raising money," said Andreas Thielen, an analyst at Enskilda Securities in London, before the announcement.

"They would probably do it," he added, "via a bond issue or straight credit as financing in Germany is so cheap at the moment."

Magdalena Moll, Mannesmann's investor relations manager, said the company had enough capital to pay for the first stage of the joint venture this year and had not yet decided how it would finance the second stage.

Olivetti is also in talks now to sell part of OLSY, its information systems and services division, to Wang Laboratories Inc. Last year, Olivetti sold its Olivetti personal computer division to a group led by a London lawyer, Edward Gottesman.

The further move by Mannesmann into Italy ends speculation that France Telecom or Deutsche Telekom AG would buy a stake in Infostrada or Olivetti. Mannesmann already owns an 8 percent stake in Olivetti's Omnitel. Other partners, besides Bell Atlantic and France Telecom, include AirTouch Communications Inc. and Telia AB. *(Bloomberg, Reuters)*

CURRENCY & INTEREST RATES

Cross Rates

Sept. 5

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0355	3.2286	1.1264	0.3347	0.1155*	—	5.456*	1.3737	1.6785*	1.4715	1.3355*
Brussels	37.43	59.37	20.651	6.1405	2.122*	18.3335	—	25.14	0.31	27.10	24.49*
Frankfurt	1.8178	2.8833	—	0.2972	0.1026*	0.8870	4.8426*	1.217	1.5056*	1.3148	1.1961*
London (a)	1.5865	—	2.8647	9.6408	2,792.53	3.2267	59.1551	2.3467	192.1706	2.193	241.0637
Madrid	153.107	242.338	84.333	25.864	8.654*	74.865	4.0840	102.681	125.524*	110.835	—
Milan	1,749.10	2,804.00	974.90	289.86	—	865.00	47.24	1,184.90	14.633	1,290.00	11.566
New York (b)	—	1.5940	1.8035	6.0635	1,760.00	2.0297	37.23	1.479	121.075	1.3978	153.085
Paris	6.1086	9.6685	3.3647	—	0.3453*	2.987	0.163	4.0967	5.038*	4.4221	3.9905*
Tokyo	121.30	192.05	66.66	19.89	0.685	59.21	3.2794	80.91	—	87.36	0.7974
Toronto	1.3811	2.2014	0.7662	0.2277	0.0785*	0.6802	0.371*	0.9542	1.1507*	—	0.908*
Zurich	1.4759	2.3478	0.8198	0.2432	0.854*	0.726	2.969*	—	1.2184*	1.0682	0.967*
1 ECU	1.0845	0.6852	1.967	6.625	1,918.80	2.218	40.6563	1.517	131.239	1.4982	166.02
1 SDR	1.3517	0.8514	2.457	8.2568	2,399.92	2.7643	50.6842	2.017	163.552	1.8725	205.914

Closings in Amsterdam, London, Milan, Paris and Zurich. fixings in other centers: New York and Toronto rates at 4 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	285.23	Mex. peso	7.80	S. Afr. rand	4.6905
Australian $	1.3693	Hong Kong $	7.747	N. Zealand $	1.5733	S. Kor. won	906.70
Austrian sch.	12.736	Hung. forint	197.19	Norw. krone	7.4325	Swed. krona	7.7944
Brazil real	1.0916	Indian rupee	36.565	Phil. peso	31.80	Taiwan $	28.62
Chinese yuan	8.3191	Indo. rupiah	3035.0	Polish zloty	3.48	Thai baht	36.05
Czech koruna	34.27	Irish £	0.6761	Port. escudo	183.45	Turkish lira	168875.
Danish krone	6.8968	Israeli shek.	3.5191	Russ ruble	5837.0	UAE dirham	3.671
Egypt. pound	3.398	Kuw dinar	0.3028	Saudi riyal	3.75	Venez. boliv.	495.50
Fin. markka	5.4153	Malay. ring.	2.93	Sing. $	1.516		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5838	1.5818	1.5799	Japanese yen	120.67	120.12	119.62
Canadian dollar	1.3779	1.3753	1.3732	Swiss franc	1.4804	1.4749	1.4699
Deutsche mark	1.8064	1.8026	1.7992				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Sept. 5

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	3 1/16 - 3 3/16	1 3/16 - 1 5/16	7 1/8 - 7 1/4	3 1/4 - 3 5/16	7/16 - 9/16	4 1/8 - 4 1/4
3-month	5 9/16 - 5 11/16	3 1/4 - 3 3/8	1 1/4 - 1 3/8	7 3/16 - 7 5/16	3 5/16 - 3 3/8	7/16 - 9/16	4 5/16 - 4 7/16
6-month	5 11/16 - 5 13/16	3 5/16 - 3 7/16	1 1/2 - 1 5/8	7 5/16 - 7 7/16	3 3/8 - 3 1/2	1/2 - 5/8	4 5/16 - 4 7/16
1-year	5 7/8 - 6	3 1/2 - 3 5/8	1 11/16 - 1 13/16	7 9/16 - 7 11/16	3 5/8 - 3 3/4	9/16 - 11/16	4 9/16 - 4 11/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 9/16	5 1/2
90-day CDs dealers	5.59	5.61
180-day CP dealers	5.51	5.51
3-month Treasury bill	5.02	5.01
1-year Treasury bill	5.28	5.29
2-year Treasury bill	5.95	5.96
5-year Treasury note	6.23	6.22
7-year Treasury note	6.28	6.27
10-year Treasury note	6.35	6.33
30-year Treasury bond	6.64	6.61
Merrill Lynch 30-day RA	5.10	5.10
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.44
1-month interbank	0.54	0.54
3-month interbank	0.55	0.55
6-month interbank	0.54	0.54
10-year Govt bond	2.27	2.28
Germany		
Lombard rate	4.50	4.50
Call money	3.13	3.13
1-month interbank	3.21	3.21
3-month interbank	3.33	3.31
6-month interbank	3.45	3.45
10-year Bund	5.89	5.67

Britain		
Bank base rate	7.00	7.00
Call money	7 1/16	7 1/16
1-month interbank	7 1/16	7 1/8
3-month interbank	7 1/4	7 1/4
6-month interbank	7 3/8	7 3/8
10-year Gilt	6.95	6.99
France		
Intervention rate	3.10	3.10
Call money	3 1/16	3 1/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 5/16
6-month interbank	3 3/8	3 3/8
10-year OAT	5.58	6.00

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	321.40	321.60	—0.70
London	321.60	321.25	—0.55
New York	324.80	325.40	+1.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

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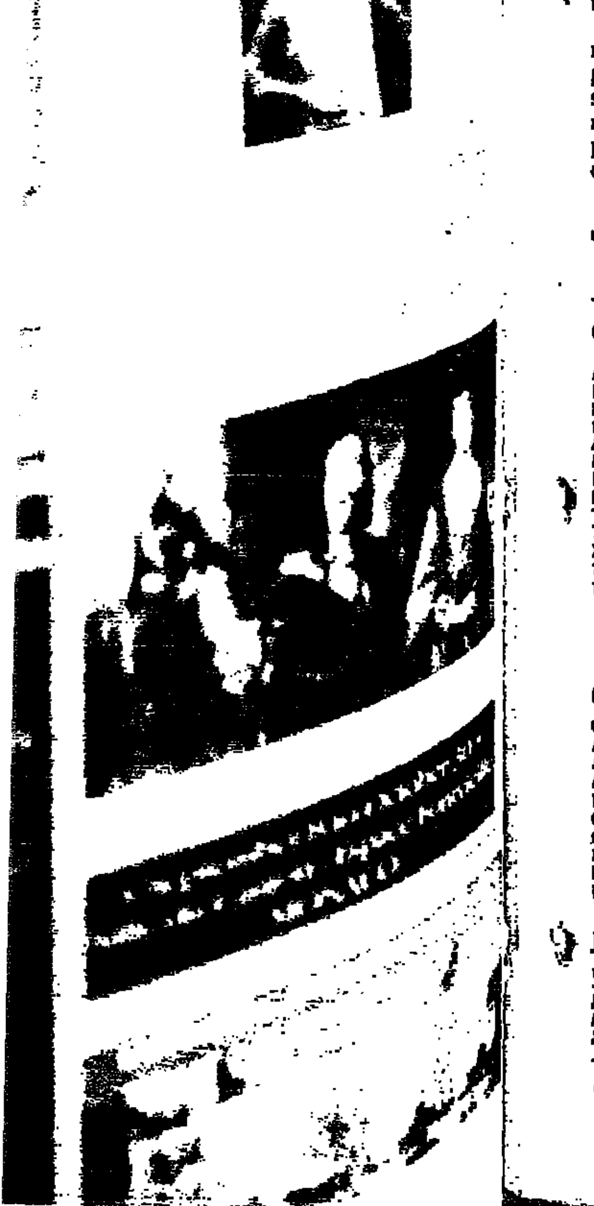

THE AMERICAS

Investor's America

Exchange	Index	Friday 4 PM	Prev. Close	% Change
NYSE	The Dow	7822.41	7867.24	-0.57
NYSE	S&P 500	929.05	930.85	-0.19
NYSE	S&P 100	901.45	902.51	-0.12
NYSE	Composite	484.64	485.11	-0.10
U.S.	Nasdaq Composite	1635.77	1624.63	+0.69
AMEX	Market Value	667.56	662.26	+0.80
Toronto	TSE Index	6743.20	6722.10	+0.31
Sao Paulo	Bovespa	11878.91	11490.62	+3.38
Mexico City	Bolsa	4927.43	4891.46	+0.74
Buenos Aires	Merval	831.97	831.82	+0.02
Santiago	IPSA General	5650.29	5589.63	-0.85
Caracas	Capital General	10268.10	9988.73	+2.81

Source: Bloomberg, Reuters — International Herald Tribune

Consumer Blue Chips Sag in Mixed Market

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks were mixed as investors shied from Procter & Gamble and Gillette and other consumer goods companies amid signs of slowing earnings growth, buying those that profit more in an expanding economy. The trend buoyed some cyclicals and computer companies.

The Dow Jones industrial average closed down 44.83 points, at 7,822.41, after giving up an early 74-point gain. P&G led the decline after it was downgraded by Smith Barney on concerns that the strengthening dollar would crimp earnings for major exporters.

The profit jitters quickly canceled out the initial enthusiasm over an employment report suggesting that upward pressure on wages remained fairly tame in August.

The Nasdaq composite index rose 11.14 points to a record 1,635.77 after gaining as much as 15.09. The rise came as a push into smaller shares continued.

The Standard & Poor's 500 Index fell 1.82 points, to 929.05. Boston Scientific helped lead the decline, closing down 13 7/16 to 62 7/16 after saying that third-quarter and full-year profit would not meet analysts' forecasts.

Traders said activity in individual stocks was quiet, with the big early surge mostly due to investors who reeled in failed bearish bets in the options and futures market.

"They probably had puts and they sold," said David Slaine, head trader for Nasdaq stocks at Morgan Stanley, Dean Witter, Discover & Co. Puts are contracts that gain in value as stocks fall. Selling puts raises the value of futures and options contracts, bringing up common stocks in tow.

U.S. STOCKS

"It has been very quiet in the cash markets," said Mr. Slaine, referring to common stocks. "I didn't see the panic to buy. I think people have been short futures. They've been going in to cover their futures."

A retreat in bonds pulled stocks from their highs.

Even though the government's report on jobs showed unexpectedly weak growth in employment and wages, some investors remained concerned that inflation might become enough of a problem to force interest rates higher at some point.

The benchmark 30-year Treasury bond fell 11/32 to 96 19/32 as the yield rose to 6.64 percent from 6.61 percent on Thursday.

"People take the numbers and the first reaction is positive, then they come up with excuses for why there are problems," said Rich Meyer, head trader at J.W. Charles in New York.

Mr. Slaine said he expected markets to pick up steam when the third quarter comes to a close at the end of this month. Until then, he said, a host of companies will typically indicate that they cannot live up to analyst earnings forecasts.

Dell Computer rose 1 7/16 to 88⅛ after its chairman told investors and analysts that the stock was inexpensive given the company's growth prospects.

Tupperware, a plastic containers maker, dropped 7 5/16 to 27 13/16 after warning that third-quarter earnings would be "down significantly" because of lower Latin American sales.

American Standard, an air-conditioner and household-equipment maker, fell after it said it expected third-quarter earnings will be below analysts' expectations.

Tech Data, a distributor of personal computer products, jumped after it said earnings for the quarter ended July beat the average estimate of 40 cents a share by 7 cents. *(Bloomberg, AP)*

UPS Strike Affects U.S. Jobless Rate

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. unemployment rate crept up to 4.9 percent in August as new jobs were created at the slowest pace in nearly a year, in part reflecting the impact of the United Parcel Service strike, statistics released Friday showed.

The increase in the seasonally adjusted unemployment rate, from a near 24-year low of 4.8 percent in July, wasn't statistically very significant, according to Katharine Abraham, the Bureau of Labor Statistics commissioner. The rate has fluctuated between 4.8 percent and 5 percent since April.

But the UPS strike had a big impact on job growth. It temporarily subtracted 185,000 jobs from the economy, although the U.S. Postal Service and other competitors increased hiring by 32,000 to pick up some of the slack. The return of striking auto and steel workers added 10,000 jobs.

The crosscurrents left net job growth at a paltry 49,000 in August, the worst showing since September 1996. But that followed an extremely strong gain of 365,000 jobs in July, and the biggest gain in 17 months.

For the first eight months of the year, monthly job growth averaged 226,000, higher than last year's monthly average of about 216,000 new jobs. Because the striking UPS workers were off the job during the week of Aug. 12, when the employment survey was conducted, the Labor Department counted their jobs essentially as having disappeared. *(AP, Bloomberg)*

Armstrong Scrutinized Once More By AT&T

By Mark Landler
New York Times Service

NEW YORK — Seven weeks after embarking on yet another search for a chief executive, AT&T Corp. is once again closely scrutinizing Michael Armstrong, chief executive of Hughes Electronics Corp., according to several executives close to the deliberations.

Mr. Armstrong, who was a candidate during AT&T's last executive search, has emerged as one of the top outside contenders to succeed Chairman Robert Allen, several executives close to AT&T said Thursday. But he still faces strong competition from John Zeglis, the vice chairman who is a popular internal candidate.

Indeed, as AT&T's board members prepare for a crucial round of meetings this month at a resort in West Virginia, the debate over succession has split the directors into two factions: one that favors giving the homegrown Mr. Zeglis a shot at running the company and one that favors bringing in an outsider like Mr. Armstrong.

Mr. Armstrong turned down an overture from AT&T in its last search because Mr. Allen would not immediately step aside as chief executive, according to people who were involved in the process. The company eventually selected John Walter, former chief executive of R.R. Donnelley & Sons Co.

But after Mr. Walter resigned abruptly last July, the company initiated another search with the understanding that Mr. Allen would step aside as soon as a successor was found.

Executives close to the company cautioned that Mr. Armstrong was not the only outsider being considered. But one person said the list of prospects had been culled to a handful of names, including Richard Brown, chief executive of Cable & Wireless PLC of Britain.

An AT&T spokesman declined to discuss the search.

EU Seeks Slot Cuts By BA and American

CERNOBBIO ... Van Miert ... petition commissioner ... day that British ... and American ... would have to give ... take-off slots ... Heathrow ... frequent-flier ... servation ... planned alliance ...

Earlier, the E... said the ... cede to rivals ... trip flights from ... cut the frequent... key routes before ... low approval ...

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"It is looking ... uncertain ... an airline ... Amro Hoare ...

At a briefing ... er Friday ... declined to ... the body was ... that discussions ... carriers were ...

Very briefly:

IDT Plans Internet Phone Service

WASHINGTON (Bloomberg) — IDT Corp. plans to offer Internet phone service next week that lets customers make calls over the global computer network from their own phones. Net2Phone Direct is one of about 60 companies with Internet phone service, which is much cheaper than conventional phone service, though most require personal computers rather than regular phones.

IDT customers can call a toll-free number to get into IDT's network and pay 13 cents a minute for calls in the United States; calls are 8 cents a minute from a Chicago number. IDT plans to add large U.S. markets every few weeks.

The U.S. government, meanwhile, is resisting pleas by small long-distance companies to regulate Internet telephone calls. "Washington at this point has no need to regulate," an assistant commerce secretary, Larry Irving, said Thursday.

Chilean-Led Group Wins Brazil Bid

SAO PAULO (Bloomberg) — A group led by Empresa Nacional de Eletricidad SA of Chile won control of Centrais Eletricas Cachoeira Dourada SA in the first sale of a state-controlled power generator in Brazil, the Jornal do Brasil and Invest News reported.

The Endesa-led group agreed to pay 779.6 million reais ($714 million) for an 81 percent stake in Cachoeira Dourada. The 656-megawatt dam provides 60 percent of the energy needs of Goais, a fast-growing state in Brazil's center-west region.

Brazil's federal and state governments plan to raise $40 billion through the sale of about 20 more energy companies over the next two years.

• **The New York Times Co.**, an owner of the **International Herald Tribune**, has applied to list its class A shares on the New York Stock Exchange, moving them from the American Stock Exchange. It expects the shares to begin trading Sept. 25 on the Big Board. Its class B shares are not publicly traded. *NYT*

U.S. Data Undercut Dollar as Fear of Fed Eases

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against most currencies Friday after a U.S. employment report convinced traders that the Federal Reserve Board was unlikely to raise interest rates soon and on speculation that German rates might head higher.

The dollar was also dragged down by weakness in U.S. asset markets.

The jobs report showed a smaller-than-expected gain in employment last month, suggesting that the economy may be growing moderately with little inflation.

"The data wasn't strong enough to lead the market to believe the Fed will raise interest rates in the near term," said Elliott Dix, chief currency trader at Signet Bank. "Juxtaposed with the prospect of a German tightening sooner rather than later and softness in the stock market, that's fairly negative for the dollar."

In 4 P.M. trading in New York, the dollar fell to 1.8035 Deutsche marks from 1.8175 DM on Thursday. It was quoted at 121.075 yen, up slightly from 121.050 yen.

Analysts noted that the new jobs report suggested modest growth but that other recent reports had shown robust expansion. The government said last week that the economy grew 3.6 percent in the second quarter, faster than it originally reported.

FOREIGN EXCHANGE

While many traders are not expecting Fed policymakers to raise rates when they meet this month, others have not ruled out an increase later in the year.

Some dealers doubted that the Friday figures made much of an impression.

"The dollar was hit by profit-taking because of technical factors on a low-volume market," said Paul Lambert, an analyst at Union Bank of Switzerland, "and U.S. job figures had only a limited impact."

The dollar was also hurt by sagging U.S. stocks and bonds. Currency traders were concerned that foreign investors selling U.S. assets might convert their dollar profits into their home currencies.

The president of the Swiss National Bank kindled speculation that German interest rates might rise before long when he suggested that Swiss interest rates might head higher.

He said the central bank was "aware that we can't continue our expansive monetary policy for much longer if we are to avoid the building up of new inflationary pressure."

"If the Swiss are saying loose monetary policy is over," said Varick Martin, manager for foreign exchange at Manufacturers & Traders Trust, "then the Germans can't be far behind. That should make the mark stronger and serve as an indication the dollar's probably not going to skyrocket."

To be sure, there is little evidence that Swiss inflation is on the rise. Consumer price inflation is expected to stay below 1 percent this year and recent reports showing slow growth in the economy left some traders doubting that Swiss rates would actually rise any time soon.

Nevertheless, Mr. Meyer's comments, coupled with recent signs that Germany's economy is improving, were enough to keep alive talk that the Bundesbank may lift rates.

Mr. Meyer's remarks helped lift the Swiss franc against both the dollar and the mark. The dollar fell to 1.4780 francs from 1.4980 francs.

The dollar dropped to 6.0635 French francs from 6.1130 French francs.

The pound rose to $1.5940 from $1.5835. *(Bloomberg, AFP)*

AMEX

Friday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
ARC [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7901.84	7942.76	7785.94	7822.41	-44.83
Trans	2952.64	2968.43	2947.60	2959.02	+8.56
Util	237.03	237.85	235.22	235.55	-1.01
Comp	2474.71	2486.30	2450.97	2460.01	-7.35

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1097.34	1088.42	1093.89	1091.80
Transp.	662.25	657.48	658.76	658.02
Utilities	202.10	201.25	201.90	200.93
Finance	107.65	106.49	107.54	107.36
SP 500	933.36	925.59	930.87	929.05
SP 100	905.71	897.42	902.51	901.45

NYSE

	High	Low	Last	Chg.
Composite	489.36	482.32	484.64	-0.47
Industrials	619.61	609.91	613.45	-0.84
Transp.	441.31	437.51	439.06	+0.12
Utility	291.30	287.32	288.73	+0.18
Finance	455.22	449.97	451.14	-0.22

Nasdaq

	High	Low	Last	Chg.
Composite	1639.72	1628.23	1635.77	+11.14
Industrials	1319.82	1312.30	1319.82	+11.99
Banks	1780.50	1772.73	1778.82	+6.87
Insurance	1755.20	1742.10	1745.87	-3.87
Finance	2104.71	2096.59	2104.71	+11.60
Transp.	1040.95	1031.21	1040.95	+11.26

AMEX

High	Low	Last	Chg.
667.62	662.15	667.56	+5.30

Dow Jones Bond

	Close	Chg.
20 Bonds	103.75	-0.09
10 Utilities	101.37	-0.18
10 Industrials	106.26	-0.14

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	111151	69⅞	68⅛	69⅞	+1⅞
BostSc	97671	66¾	62	62⅝	-13⅞
Tupprwre	83580	28¼	27½	28⅝	-6⅝
Micrnl	72113	44⅝	41⅝	41¾	-2⅝
SecCPT n	57542	¾	½	½	[illegible]
CUC Intl s	47165	27⅞	26⅞	27⅞	+1
PhilMor s	47069	45⅛	44⅛	44⅝	-⅞
Cabltrn s	46527	34⅞	32⅞	33⅞	+1⅜
GenElec s	41634	67⅞	65⅞	66¼	-⅞
NatnsBk s	41050	58⅞	56⅞	56⅞	-⅞
AMD	39709	35⅛	34⅞	35⅛	+⅛
NtSemi	38908	42⅛	40⅞	41⅞	+⅞
TelBrasl	38634	135⅞	132⅞	134⅞	+4⅞
SftcnGph	38410	29⅞	28⅞	29⅞	+1⅞
Gillette	37523	82⅞	80⅞	81⅞	-1⅞

Nasdaq

	Vol.	High	Low	Last	Chg.
TeleComA	271312	20	18⅞	19⅞	+1⅛
Ascend	109002	42⅝	40⅞	40⅞	-⅞
Intel s	97020	96⅝	94⅞	94⅞	-⅞
DellCpt s	71612	89⅞	87⅞	87⅞	+⅞
Microsft s	60195	139⅞	136⅛	137⅞	-2⅞
Biogen s	59332	37⅞	35⅞	37⅞	+1⅞
MedCmp	57723	34⅞	33⅞	34⅞	+1⅞
HealdCm	50250	27	25	26⅞	+2⅞
FoneSys	49407	20⅞	19	20⅞	+1⅛
MicronEl	49084	19⅞	17⅞	19⅞	+1⅞
ApldMat	44002	100⅞	97⅞	98⅞	-⅞
3Com	42100	50⅞	49⅞	50	+1
MCI	38745	29⅞	28⅞	29⅞	+⅞
Cisco	38035	78⅞	77⅞	78⅞	+⅞
BostChk	37819	14⅞	13⅞	14⅞	+⅞

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	36147	94⅞	92⅞	93⅞	-⅞
ViacB	22138	34	31⅞	34	+2
KeyEng	5501	27⅞	27⅞	27⅞	+⅞
JTS Corp	4926	⅞	⅞	⅞	—
Nabors	4869	36⅞	35⅞	36	+⅞
Vitronic	4868	1⅞	1⅞	1⅞	—
Hasbro s	4451	27⅞	26⅞	27⅞	+⅞
RobertsPh	4428	12⅞	11⅞	12⅞	+⅞
CrystIx gn	4250	5⅞	5⅞	5⅞	—
TubMex	4007	18⅞	18⅞	18⅞	+⅞

Trading Activity

NYSE

	Close	Prev.
Advanced	1657	1507
Declined	1175	1321
Unchanged	548	555
Total issues	3380	3383
New Highs	743	227
New Lows	6	12

Nasdaq

	Noon	Prev.
Advanced	1976	2236
Declined	1387	1896
Unchanged	2085	1604
Total issues	5448	5736
New Highs	202	202
New Lows	45	49

AMEX

	Close	Prev.
Advanced	325	298
Declined	243	274
Unchanged	165	158
Total issues	733	730
New Highs	45	45
New Lows	6	8

Market Sales

	Today 4:00	Prev. cons.
NYSE	536.39	669.68
Amex	23.18	32.23
Nasdaq	594.45	669.77

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
New South Africa	-	.02	10-10	10-24
Toyota Motor	b	.147	9-29	—
INCREASED				
Harcourt Gen	Q	.19	10-14	10-31
REGULAR				
Amcor Ltd ADR	b	.584	9-24	10-22
Amwest Insurance	Q	.11	9-30	10-15
Bank United	Q	.14	9-15	9-26
BkAtlantic Bn A	Q	.033	10-3	10-17
BkAtlantic Bn B	Q	.03	10-3	10-17
Berry Petrol A	Q	.10	9-15	9-29
Brilliance China	S	.04	10-9	10-31
Commd Bk NY	Q	.085	9-12	9-30
Hawkins Chem	S	.09	9-26	10-10
Helmerich Payne	Q	.13	11-14	12-1
IDEX Stratgc Tot	Q	.277	9-12	9-18
Nabisco Holdings	Q	.175	9-15	10-1
Natl Inco Rlty	Q	.20	9-15	9-30
N IN PubSvc A		.75	9-16	10-14
ONBANCORP	Q	.34	9-17	10-1
Pinnacle Fin	Q	.235	9-19	10-1
Sony Corp ADR	b	.205	9-29	12-8
Thomaston Mills	c	.075	9-15	10-1
c- payable on A&B.				
Walbro Corp	Q	.10	9-30	10-31
Washington Ntl	Q	.27	9-15	10-1

STOCK SPLIT

C-Tec Corp 1 share of RCN Corp for each share of C-Tec held plus 1share of Cable Michigan for each 4 shares of C-Tec held: also a 2 for 3 reverse split.
Meyer Fred 2 for 1 split.
Ntheast Inv Grw 3 for 1 split.

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

Sept. 5, 1997

Grains

	High	Low	Latest	Chge	OpInt
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	271	266	266¼	-3¼	14,073
Dec 97	270½	264	264¼	-5½	190,784
Mar 98	279	272¾	273	-5½	50,482
May 98	283¼	277¼	278¼	-5	12,932
Jul 98	286½	281	281½	-5	20,178
Sep 98	273	270½	270½	-4½	1,497
Dec 98	273½	268¼	268¾	-4¼	11,988
Est. sales 69,000 Thu's sales 52,006					
Thu's open int 302,064, off 1,326					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Sep 97	284.00	273.70	282.10	+9.60	9,640
Oct 97	241.00	233.30	237.60	+3.30	23,521
Dec 97	221.80	217.00	218.70	+1.40	43,502
Jan 98	215.50	211.70	213.30	+1.70	18,250
Mar 98	209.00	205.00	207.00	+1.50	9,603
May 98	207.00	203.30	204.20	+1.40	7,794
Est. sales 35,000 Thu's sales 38,882					
Thu's open int 109,730, up 329					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Sep 97	22.80	22.38	22.39	-0.33	3,040
Oct 97	22.98	22.47	22.52	-0.35	20,072
Dec 97	23.39	22.80	22.87	-0.41	41,236
Jan 98	23.55	23.03	23.03	-0.46	11,226
Mar 98	23.87	23.25	23.30	-0.47	7,303
May 98	23.90	23.45	23.50	-0.46	2,883
Est. sales 28,000 Thu's sales 26,240					
Thu's open int 90,151, up 1,028					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	717	695	709½	+16	7,312
Nov 97	652	637¾	640½	-3	89,974
Jan 98	653	640	642¾	-3	20,909
Mar 98	659	647	648¾	-4¾	8,881
May 98	665½	654	654¾	-4¾	6,424
Est. sales 50,000 Thu's sales 43,958					
Thu's open int 143,158, up 721					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	376	369	372¼	+½	2,761
Dec 97	391	383	387	+¼	68,734
Mar 98	402	395	399	unch.	22,470
May 98	403½	398	400	-½	3,628
Est. sales 24,000 Thu's sales 27,188					
Thu's open int 107,292, off 115					

Livestock

	High	Low	Latest	Chge	OpInt
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Oct 97	68.05	67.25	67.85	+0.62	42,216
Dec 97	69.30	68.75	69.07	+0.25	25,633
Feb 98	72.12	71.42	71.87	+0.42	14,133
Apr 98	74.32	73.65	74.17	+0.50	6,930
Jun 98	70.85	70.22	70.65	+0.40	5,466
Aug 98	70.25	70.10	70.25	+0.17	1,196
Est. sales 13,605 Thu's sales 17,769					
Thu's open int 95,582, off 1,292					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Sep 97	79.75	78.95	79.55	+0.40	3,114
Oct 97	79.60	78.55	79.40	+0.45	6,747
Nov 97	80.70	79.65	80.42	+0.47	4,243
Jan 98	81.45	80.52	81.32	+0.60	2,549
Mar 98	81.10	80.35	81.10	+0.55	1,424
Apr 98	81.05	80.35	81.05	+0.47	425
Est. sales 2,756 Thu's sales 2,044					
Thu's open int 18,997, off 113					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Oct 97	70.90	70.05	70.77	+0.55	17,440
Dec 97	67.50	66.85	67.30	+0.10	7,879
Feb 98	66.25	65.85	66.00	-0.05	3,556
Apr 98	62.55	62.05	62.32	+0.37	1,609
Jun 98	67.42	67.00	67.37	+0.60	942
Est. sales 5,136 Thu's sales 6,336					
Thu's open int 32,573, up 275					
PORK BELLIES (CMER) 40,000 lbs - cents per lb.					
Feb 98	68.60	67.25	67.47	-0.30	3,939
Mar 98	68.12	67.70	67.70	unch.	447
May 98			67.75	+0.20	85
Est. sales 1,008 Thu's sales 1,642					
Thu's open int 4,517, up 118					

Food

	High	Low	Latest	Chge	OpInt
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 97	1687	1655	1655	-36	174
Dec 97	1730	1667	1674	-36	44,543
Mar 98	1757	1698	1702	-38	27,089
May 98	1766	1715	1719	-38	12,393
Jul 98	1745	1736	1736	-38	2,873
Sep 98	1797	1752	1752	-41	4,663
Est. sales 9,830 Thu's sales 7,130					
Thu's open int 107,642, off 406					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Sep 97	212.00	207.50	208.90	-1.60	549
Dec 97	194.80	187.60	188.85	-6.15	13,707
Mar 98	175.50	170.50	170.95	-4.25	4,159
May 98	169.00	164.75	164.75	-4.00	1,656
Jul 98	162.00	159.00	159.00	-4.10	1,283
Est. sales 6,304 Thu's sales 9,461					
Thu's open int 21,897, up 743					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 97	11.67	11.54	11.54	-0.07	82,639
Mar 98	12.03	11.96	11.99	-0.01	75,599
May 98	12.00	11.95	11.95	-0.03	18,130
Jul 98	11.79	11.74	11.77	+0.03	12,483
Est. sales 17,388 Thu's sales 13,213					
Thu's open int 203,478, up 75					

	High	Low	Latest	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Sep 97	69.50	68.05	69.50	+0.75	760
Nov 97	69.90	67.90	69.40	-0.10	17,906
Jan 98	72.65	71.00	72.30	-0.25	8,176
Mar 98	75.50	74.00	75.25	-0.15	5,282
Est. sales N.A. Thu's sales 3,510					
Thu's open int 34,151, up 565					

Metals

	High	Low	Latest	Chge	OpInt
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Sep 97			322.90	+1.20	46
Oct 97	324.00	322.20	323.80	+1.20	16,116
Nov 97			324.40	-1.10	
Dec 97	325.60	323.80	325.40	+1.10	110,516
Feb 98	327.10	325.70	327.00	+1.00	15,351
Apr 98	328.80	327.80	328.70	+0.90	5,395
Jun 98	330.70	330.00	330.70	+0.90	8,310
Aug 98			332.80	+0.90	4,069
Oct 98			334.90	+0.80	115
Est. sales 17,000 Thu's sales 18,839					
Thu's open int 200,491, up 3,297					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Sep 97	98.40	96.55	97.75	+0.80	5,049
Oct 97	98.10	97.10	98.10	+0.50	2,589
Nov 97	98.60	98.40	98.60	+0.45	1,579
Dec 97	99.20	97.50	98.45	+0.50	23,788
Jan 98	98.60	98.00	98.45	+0.60	784
Feb 98			98.20	+0.60	750
Mar 98	98.90	97.50	98.25	+0.70	3,288
Apr 98			98.10	+0.60	542
May 98	98.10	97.80	97.95	+0.80	1,882
Est. sales 8,000 Thu's sales 7,926					
Thu's open int 45,193, up 683					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Sep 97	468.00	462.00	467.10	+2.30	912
Oct 97			468.70	+2.00	78
Nov 97			472.10	+2.00	
Dec 97	478.00	466.00	473.00	+2.00	51,699
Jan 98			474.50	+2.00	20
Mar 98	483.00	477.00	479.80	+2.10	11,700
May 98			483.80	+2.10	3,209
Jul 98	488.00	487.90	487.90	+2.30	2,353
Est. sales 17,000 Thu's sales 12,764					
Thu's open int 75,858, off 1,575					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 97	420.00	415.50	417.40	+1.20	9,452
Jan 98	411.50	408.50	409.40	+0.20	3,038
Apr 98	405.40	405.00	405.40	+0.20	422
Est. sales N.A. Thu's sales 2,388					
Thu's open int 13,115, off 77					

LONDON METALS (LME)
Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1603.00	1605.00	1587.00	1588.00
Forward	1622.00	1623.00	1612.00	1613.00
Copper Cathodes (High Grade)				
Spot	2164½	2166½	2142½	2144½
Forward	2172.00	2173.00	2151.00	2152.00
Lead				
Spot	640½	641½	630.00	631.00
Forward	654.00	655.00	644.00	646.00
Nickel				
Spot	6610.00	6620.00	6585.00	6595.00
Forward	6710.00	6715.00	6690.00	6695.00
Tin				
Spot	5430.00	5440.00	5385.00	5390.00
Forward	5470.00	5480.00	5430.00	5435.00
Zinc (Special High Grade)				
Spot	1675.00	1680.00	1637.00	1640.00
Forward	1488.00	1490.00	1470.00	1471.00

Financial

	High	Low	Close	Chge	OpInt
US T BILLS (CMER) $1 million- pts of 100 pct.					
Sep 97	95.01	94.98	94.98	-0.02	5,408
Dec 97	94.89	94.83	94.83	unch.	2,920
Mar 98	94.82	94.82	94.81	unch.	1,282
Est. sales N.A. Thu's sales 544					
Thu's open int 9,610, off 192					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Sep 97	107-02	106-42	106-47	- 01	81,297
Dec 97	106-52	106-20	106-26	- 02	141,048
Est. sales 94,500 Thu's sales 49,845					
Thu's open int 222,345, up 6,001					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 97	109-26	108-27	108-31	- 05	107,591
Dec 97	109-16	108-15	108-20	- 05	267,335
Est. sales 150,500 Thu's sales 76,146					
Thu's open int 378,679, off 7,315					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 97	114-06	112-22	112-29	- 14	171,047
Dec 97	113-25	112-09	112-17	- 14	376,640
Mar 98	113-05	112-07	112-07	- 14	33,521
Jun 98			111-27	- 13	2,539
Est. sales 575,000 Thu's sales 254,006					
Thu's open int 585,443, off 9,494					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	115-25	115-07	115-10	+0-06	11,271
Dec 97	115-14	114-23	114-27	+0-02	147,525
Est. sales 86,357 Prev. sales 68,491					
Prev. open int.: 158,796 off 26,311					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 97	102.58	102.36	102.47	+0.10	22,664
Dec 97	101.74	101.23	101.24	-0.23	238,668
Mar 98	100.50	100.50	100.34	-0.22	200
Est. sales 211,604 Prev. sales 224,157					
Prev. open int.: 261,532 off 18,590					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 97	130.14	129.74	129.80	— 0.12	151,238
Dec 97	98.96	98.54	98.62	— 0.16	33,819
Mar 98	98.18	98.18	98.02	— 0.16	3
Est. sales: 161,156.					
Open int.: 185,060 off 3,976.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Dec 97	109.72	109.23	109.32	+0.06	102,658
Mar 98	109.37	109.37	109.22	—0.98	0
Est. sales: 40,735. Prev. sales: 134,839					
Prev. open int.: 134,423 up 3,693					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Sep 97	94.35	94.33	94.34	unch.	14,149
Oct 97	94.33	94.31	94.32	unch.	10,957
Nov 97	94.29	94.26	94.27	unch.	12,250
Est. sales N.A. Thu's sales 7,410					
Thu's open int 46,151, up 3,436					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Sep 97	94.28	94.25	94.26	unch.	442,002
Oct 97	94.20	94.17	94.18	unch.	8,490
Dec 97	94.15	94.07	94.08	unch.	520,476
Mar 98	94.06	93.98	94.00	unch.	355,506
Jun 98	93.95	93.87	93.89	unch.	272,061
Sep 98	93.86	93.77	93.79	unch.	218,299
Dec 98	93.72	93.65	93.67	unch.	187,490
Mar 99	93.69	93.62	93.65	unch.	130,580
Jun 99	93.64	93.58	93.60	unch.	104,377
Sep 99	93.60	93.53	93.55	-0.01	86,988
Dec 99	93.53	93.47	93.48	-0.01	75,801
Mar 00	93.53	93.46	93.48	-0.01	65,471
Est. sales N.A. Thu's sales 292,941					
Thu's open int 2,797,274, off 3,238					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 97	1.5950	1.5812	1.5920	+0.0098	42,647
Dec 97	1.5890	1.5760	1.5860	+0.0096	6,786
Mar 98			1.5796	+0.0096	209
Est. sales N.A. Thu's sales 7,478					
Thu's open int 49,643, off 483					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 97	.7248	.7226	.7237	+0.0011	43,963
Dec 97	.7285	.7262	.7273	+0.0011	14,733
Mar 98	.7318	.7305	.7305	+0.0014	770
Est. sales N.A. Thu's sales 8,746					
Thu's open int 59,742, off 2,257					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 97	.5575	.5496	.5552	+0.0044	87,644
Dec 97	.5608	.5529	.5585	+0.0044	16,811
Mar 98	.5622	.5576	.5617	+0.0044	1,641
Est. sales N.A. Thu's sales 22,133					
Thu's open int 106,265, off 2,426					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 97	.8297	.8231	.8269	+0.0002	91,485
Dec 97	.8402	.8340	.8377	+0.0002	19,362
Mar 98			.8490	+0.0002	686
Est. sales N.A. Thu's sales 41,583					
Thu's open int 111,542, off 572					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 97	.6809	.6677	.6776	+0.0093	47,228
Dec 97	.6885	.6753	.6847	+0.0093	6,807
Mar 98	.6900	.6880	.6917	+0.0093	1,061
Est. sales N.A. Thu's sales 10,807					
Thu's open int 55,306, up 352					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Sep 97	.12800	.12750	.12777	+.00071	19,040
Dec 97	.12307	.12270	.12292	+.00071	14,033
Mar 98	.11850	.11820	.11835	+.00121	5,898
Est. sales N.A. Thu's sales 7,852					
Thu's open int 41,079, off 1,143					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 97	92.74	92.72	92.73	Unch.	101,306
Dec 97	92.62	92.59	92.61	+0.02	130,904
Mar 98	92.62	92.58	92.59	+0.01	107,224
Jun 98	92.65	92.61	92.63	+0.02	73,184
Sep 98	92.72	92.68	92.70	+0.02	57,631
Dec 98	92.81	92.78	92.78	+0.01	53,730
Mar 99	92.87	92.84	92.85	+0.01	45,882
Est. sales 54,691. Prev. sales: 80,895					
Prev. open int.: 669,598 up 47					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep 97	96.70	96.68	96.69	+0.01	214,629
Oct 97	96.61	96.60	96.61	+0.03	1,976
Nov 97	N.T.	N.T.	96.54	+0.02	400
Dec 97	96.49	96.45	96.46	+0.01	285,042
Mar 98	96.31	96.28	96.29	+0.01	276,745
Jun 98	96.09	96.05	96.07	+0.01	212,201
Sep 98	95.87	95.83	95.85	+0.02	153,184
Dec 98	95.62	95.58	95.60	+0.02	159,383
Mar 99	95.43	95.40	95.41	+0.02	134,568
Jun 99	95.25	95.22	95.23	+0.01	70,495
Est. sales: 134,600 Prev. sales: 186,388					
Prev. open int.: 1,664,631 up 505					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 97	96.59	96.57	96.58	+ 0.01	50,463
Dec 97	96.43	96.38	96.42	+ 0.03	35,192
Mar 98	96.26	96.23	96.25	+ 0.02	28,750
Jun 98	96.10	96.07	96.08	+ 0.01	23,703
Sep 98	95.92	95.90	95.90	+ 0.01	25,331
Est. sales: 52,158					
Open int.: 242,756 off 5,079					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 97	93.20	93.18	93.19	+0.01	83,450
Dec 97	93.59	93.56	93.56	Unch.	99,594

	High	Low	Latest	Chge	OpInt
Mar 98	94.03	93.99	94.00	+0.02	61,751
Jun 98	94.36	94.29	94.33	+0.05	49,746
Sep 98	94.56	94.50	94.53	+0.05	37,847
Dec 98	94.66	94.58	94.63	+0.05	31,946
Est. sales: 62,684. Prev. sales: 49,057					
Prev. open int.: 392,620 up 5,740					

Industrials

	High	Low	Latest	Chge	OpInt
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 97	73.20	72.20	72.54	-0.39	6,908
Dec 97	73.33	72.30	72.61	-0.49	48,115
Mar 98	74.70	73.66	73.92	-0.48	13,557
May 98	75.30	74.35	74.65	-0.25	6,003
Jul 98	75.60	75.20	75.28	-0.39	5,838
Est. sales N.A. Thu's sales 5,993					
Thu's open int 88,076, off 137					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Oct 97	54.80	52.45	53.78	+1.24	49,819
Nov 97	55.80	53.65	54.88	+1.15	22,682
Dec 97	56.80	54.90	55.93	+1.00	22,562
Jan 98	57.35	55.70	56.63	+0.90	20,634
Feb 98	57.60	56.10	56.93	+0.85	11,729
Mar 98	57.40	55.70	56.43	+0.75	8,190
Apr 98	56.00	54.90	55.18	+0.65	3,494
Est. sales N.A. Thu's sales 24,198					
Thu's open int 148,815, up 3,637					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Oct 97	19.99	19.32	19.63	+0.23	99,668
Nov 97	20.07	19.46	19.73	+0.21	50,621
Dec 97	20.13	19.56	19.81	+0.20	52,427
Jan 98	20.15	19.66	19.85	+0.19	30,979
Feb 98	20.15	19.65	19.86	+0.19	15,609
Mar 98	20.10	19.83	19.86	+0.18	10,035
Est. sales N.A. Thu's sales 78,198					
Thu's open int 406,531, up 997					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Oct 97	2.740	2.620	2.695	+0.016	57,360
Nov 97	2.935	2.750	2.830	+0.022	23,079
Dec 97	2.950	2.860	2.910	-0.001	21,729
Jan 98	2.940	2.865	2.910	-0.002	22,282
Feb 98	2.670	2.610	2.455	+0.007	15,494
Mar 98	2.415	2.365	2.395	-0.005	10,554
Est. sales N.A. Thu's sales 45,222					
Thu's open int 218,261, off 196					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Oct 97	60.85	58.70	60.05	+0.13	45,710
Nov 97	58.00	56.50	57.40	+0.49	16,471
Dec 97	57.30	56.05	56.80	+0.54	14,723
Jan 98	57.50	56.10	57.10	+0.94	13,247
Feb 98	57.50	56.40	57.50	+1.04	3,490
Mar 98	57.70	57.70	57.70	+0.74	4,951
Apr 98			59.66	unch.	2,406
May 98			59.51	unch.	948
Est. sales N.A. Thu's sales 35,289					
Thu's open int 104,120, up 1,580					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Sep 97	164.75	162.50	164.50	+1.25	12,564
Oct 97	166.00	164.25	165.75	+0.75	21,795
Nov 97	167.50	166.25	167.50	+0.25	12,221
Dec 97	169.50	168.25	169.25	Unch.	16,033
Jan 98	170.50	169.50	170.50	Unch.	10,282
Feb 98	170.75	170.00	170.75	Unch.	6,640
Mar 98	169.50	168.75	169.50	Unch.	2,815
Est. sales: 15,340. Prev. sales: 12,711					
Prev. open int.: 90,788 off 679					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Oct 97	18.75	18.15	18.47	+0.19	61,672
Nov97	18.87	18.30	18.53	+0.14	40,392
Dec97	18.93	18.45	18.64	+0.13	19,644
Jan98	18.86	18.55	18.68	+0.12	16,810
Feb98	18.69	18.55	18.69	+0.11	7,061
Mar 98	18.63	18.50	18.65	+0.12	3,567
Est. sales: 36,000. Prev. sales: 35,271					
Prev. open int.: 160,476 up 646					

Stock Indexes

	High	Low	Latest	Chge	OpInt
SP COMP INDEX (CMER) 500 x index					
Sep 97	942.50	923.50	930.75	-2.25	156,235
Dec 97	952.25	934.00	939.75	-3.10	48,344
Mar 98	950.60	947.75	950.20	-2.90	2,343
Est. sales N.A. Thu's sales 60,367					
Thu's open int 207,731, off 2,418					
FTSE 100 (LIFFE) £25 per index point					
Sep 97	5065.0	5013.0	5003.0	—10.0	63,643
Dec 97	5117.5	5067.0	5065.0	—9.5	12,144
Mar 98	N.T	N.T	5106.0	—10.0	1,810
Est. sales: 15,442. Prev. sales: 17,525					
Prev. open int.: 77,597 off 147					
CAC 40 (MATIF) FF200 per index point					
Sep 97	2971.0	2926.0	2927.0	— 11.0	41,639
Oct 97	2966.0	2948.5	2934.0	— 10.5	1,497
Nov 97	N.T.	N.T.	2941.5	— 11.0	850
Dec 97	2975.0	2959.5	2949.5	— 11.5	2,958
Mar 98	2998.0	2992.0	2974.0	— 9.00	10,180
Est. sales: 13,333.					
Open int.: 68,385 off 107.					

Commodity Indexes

	Close	Previous
Moody's	1,568.40	1,568.40
Reuters	1,950.10	1,934.50
D.J. Futures	151.19	152.31
CRB	243.23	243.67

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

WORLD STOCK MARKETS

Friday, Sept. 5

Amsterdam

Bangkok

Bombay

Brussels

Jakarta

Copenhagen

Frankfurt

rket

Armstrong Scrutinized Once More By AT&T

EUROPE

EU Seeks Slot Cuts By BA and American

Bloomberg News

CERNOBBIO, Italy — Karel Van Miert, the European competition commissioner, said Friday that British Airways PLC and American Airlines Inc. would have to give up about 350 take-off slots at London's Heathrow airport and modify frequent-flier programs and reservation systems if their planned alliance is to go ahead.

Earlier, the European Union said the airlines would have to cede to rivals 25 daily round-trip flights from Heathrow and cut the frequency of flights on key routes before it would allow approve the alliance.

The commission, the executive agency of the 15-country Union, also rejected the two carriers' request to unite their frequent-flier programs, according to a spokeswoman, Lizann Peppard, at American, a unit of AMR Corp.

"Some competitors had called for 700-800 slots to be given up," Mr. Van Miert said at an Italian business conference. "Our figures are still about 350 slots at Heathrow. We also have other concerns about frequent-flier programs and reservation systems."

The demands, which were set in a preliminary review that may still be substantially revised, underline the commission's tough stance toward the alliance and raise concerns that it could seek such drastic concessions that the carriers will not be able to complete the revenue-sharing plan to unite fares on trans-Atlantic flights.

"It is looking increasingly uncertain," said Peter Bergius, an airline analyst with ABN Amro Hoare Govett.

At a briefing in Brussels earlier Friday, commission officials declined to say what concessions the body was seeking, adding that discussions with the two carriers were still under way.

VW to Use Stock Sale to Fund Expansion

Compiled by Our Staff From Dispatches

WOLFSBURG, Germany — Volkswagen AG said Friday that it would sell 6 million new shares, raising an estimated 7.5 billion Deutsche marks ($4.12 billion) for a major expansion.

Following the announcement, shares of Europe's largest carmaker plunged 128.45 DM, to 1,216.05, in after-hours trading, amid concern that the new shares would dilute the value of existing shares.

The automaker said 3 million of the new shares would be sold to existing shareholders and 3 million would be sold to the public "at a price that won't significantly undermine the market price at that time."

"Announcements like this can bring uncertainty into the market," said Juergen Vetter, a fund manager at Deka Deutsche Kapitalanlagegesellschaft mbH. "On the other hand, it's positive news because things are going well and they need money to expand."

The automaker did not say what it intended to do with the money, noting only that "growth of Volkswagen will be guaranteed in the coming years by adequate capital."

The announcement of a capital increase surprised some analysts, who speculated that Volkswagen might be planning a major acquisition.

"VW has said over and over they did not need a capital increase, yet they are doing one anyway," said Georg Stuerzer, auto analyst with Bayerische Vereinsbank AG. "They don't need the money. Maybe they are planning an acquisition."

Volkswagen shares had risen 111 percent so far this year, more than any other issue in the DAX index.

"Volkswagen will likely use the funds to expand overseas — Asia, Latin America, North America, Africa — anything you can think of," said Juergen Pieper, an analyst at Deutsche Morgan Grenfell Equity Research, the research arm of Deutsche Bank AG. "I can't imagine they would be interested in an acquisition, but definitely they are thinking about expansion."

Mr. Pieper said Asia would be the most lucrative market.

"Asia offers the best growth possibilities," he said. "I can imagine Volkswagen could get in there and sell affordable, middle-class cars."

Analysts generally ruled out rumors that Volkswagen is planning to buy Porsche AG. Preferred shares of Porsche closed 130.50 DM higher, at 2,880.50.

"I cannot imagine that VW are planning a new acquisition," said Christian Breitsprecher, an analyst at Trinkaus Capital Management. "Buying Peugeot, for example, wouldn't make any sense.

"It is simply that VW is an old German company with old German attitudes," he said. "VW is relatively indifferent to the concept of shareholder value and they are simply using high share prices as a chance to get hold of a load of fresh funds."

Until the capital increase actually takes place, this will mean that the automaker will underperform the market, Mr. Breitsprecher forecast. But long-term, he said, Volkswagen's status as a good investment is still intact.

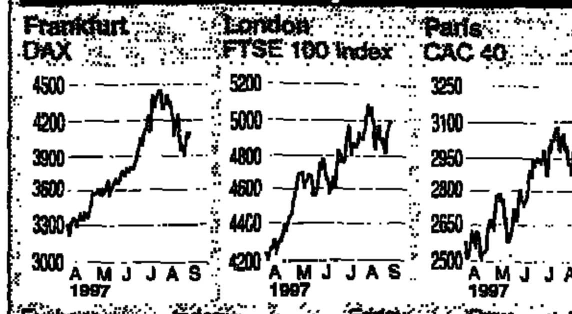
For its day-to-day business, the automaker has sufficient funds; its cash flow is high, Mr. Breitsprecher said, and after allowing for its leasing business, its capital-asset ratio is healthy.

Bjoern Kirchner of Banque Nationale de Paris also said that the capital increase appeared to show how VW does not attach great importance to shareholder value.

Volkswagen is also devoting considerable resources to its model lineup. At the Frankfurt car show next week, some analysts expect it to steal the limelight with the fourth generation of the Golf amid plans to increase annual output of the world's best-selling car to 2 million units from the current 700,000.

"They certainly have the momentum," said Sabine Bluemel, an analyst at IMI Siegeco. "But the VW story only holds if they keep increasing their sales volumes, and that must be driven by new models." *(Bloomberg, AFX, Reuters)*

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	916.51	916.27	+0.03
Brussels	BEL-20	2,436.85	2,435.35	+0.06
Frankfurt	DAX	4,100.67	4,071.68	+0.71
Copenhagen	Stock Market	688.64	689.72	-0.16
Helsinki	HEX General	3,445.60	3,399.82	+1.35
Oslo	OBX	702.43	699.39	+0.43
London	FTSE 100	4,994.20	4,991.30	+0.06
Madrid	Stock Exchange	591.28	586.79	+0.77
Milan	MIBTEL	14701	14626	+0.51
Paris	CAC 40	2,924.51	2,926.99	-0.08
Stockholm	SX 16	3,309.39	3,339.73	-0.91
Vienna	ATX	1,401.89	1,394.02	+0.56
Zurich	SPI	3,554.35	3,525.04	+0.83

Source: Telekurs — International Herald Tribune

Lukoil's Net Falls as Its Taxes Rise

Bloomberg News

MOSCOW — AO Lukoil Holding reported Friday that first-half net profit fell 2 percent as the top Russian oil producer's tax bill increased.

Lukoil said it earned 1.74 trillion rubles ($298.4 million), or 2,600 rubles per share, as the company increased crude oil and condensate production 6 percent, to 1.2 million barrels per day in the half. Sales rose 19 percent, to 28.16 trillion rubles, and pretax profit rose 13 percent, to 2.40 trillion rubles.

The company's tax bill, however, nearly doubled, to 651 billion rubles from 334 billion rubles.

"The net was a little worse than we expected," said Stephen O'Sullivan, oil and gas analyst at MC-BBL in London. "The tax bill rose a lot. We're seeing an excellent company being hit hard by taxes. The key thing is production is rising."

In dollar terms, Lukoil's net profit fell 19 percent.

Even with the drop in net income, Lukoil strengthened its predominant position in the Russian oil industry, where output rose just 0.5 percent between January and July. Its closest competitor, AO Yukos, reported a 45 percent plunge in 1996 profit, the most-recent figure available.

Oil product exports more than doubled, to 3.3 million tons (446,000 barrels), Lukoil said, without providing comparative figures for last year. Processing at the company's own refineries rose 2.5 percent, to 9.7 million tons of oil. It refined a further 1.8 million tons at refineries it does not own to raise its total refined output 20 percent.

President Vagit Alekperov said Lukoil expected oil production to rise by another 2 million tons.

French GDP Increases 1% In 2d Quarter

Compiled by Our Staff From Dispatches

PARIS — The French economy expanded by 1 percent in the second quarter, the state statistical office announced Friday, slightly less than what many economists had expected.

The increase in the gross domestic product, driven primarily by exports, compared with a 0.2 percent rise in the first quarter. It was the largest since the economy grew 1.3 percent in the first quarter of 1996.

"It's still a good number," said Eric Chaney of Morgan Stanley & Co., "although a little disappointing."

The government and most economists expect the economy to grow 2.3 percent for all of 1997, compared with a 1.3 percent rise in 1996.

The Socialist government is banking on stronger growth to cut the deficit so France can qualify for European monetary union. *(Reuters, Bloomberg)*

Misys Acquires Medic for $923 Million

Compiled by Our Staff From Dispatches

WORCESTER, England — Misys Corp., a British computer services and software provider, said Friday that it had agreed to acquire Medic Computer Systems Inc., an American maker of office-management software for physicians, for $922.8 million.

Medic is one of the five largest information technology providers to the health-care industry, Misys said.

Medic reported $38.9 million in pretax profit for 1996 on sales of $191.8 million. Its management team will remain within Misys for at least three years.

Misys supplies secure software packages — mainly to banks and insurers — and has become one of the world's largest software companies.

Misys is offering $35 for each Medic share, a 7.7 percent premium on Medic's closing price Thursday of $32.50.

It said that it would raise £321.5 million ($510 million) toward the cost of the acquisition through a 2-for-7 offer of new shares to shareholders and that it would borrow the rest of the purchase price. *(Bloomberg, Reuters)*

Very briefly:

- **Groupe Bull SA** shares slumped 3.60 French francs, or 5.9 percent, to 61.30 ($10) in reaction to the announcement that Guy de Panafieu, 54, who has no experience in the business, will become chairman of the computer maker.
- **Deutsche Telekom AG** was threatened with legal action by the European competition commissioner, Karel Van Miert, unless it agreed to lower fees for competitors to use its phone lines. Companies that plan to offer telecommunications services when the market is deregulated as of Jan. 1 need to use Telekom's network.
- **Guinness PLC and Grand Metropolitan PLC** were warned by Mr. van Miert that taking a tough stand on possible concessions would not help them get approval for the merger of their beverage businesses. Guinness is reportedly planning to resist pressure from the **European Commission** to amend the terms of the planned £24 billion ($38.07 billion) merger.
- **Ceske Drahy**, the Czech state railroad, whose head office had its power cut last week for unpaid bills, has installed a diesel generator behind its office to generate some power.
- **The Swiss National Bank's** president, Hans Meyer, in his clearest hint yet that Swiss interest rates would have to rise soon, said the central bank would not be able to continue its low-rate monetary policy "for much longer."
- **The Federal Cartel Office** of Germany has approved the merger of **Bayerische Vereinsbank AG and Bayerische Hypotheken-und Wechsel-Bank AG**, and the merger of **Victoria Holding AG**, a German insurance company, with the primary insurance units of **Munich Re**, including Hamburg-Mannheimer Versicherungs-AG and Deutsche Krankenversicherung AG.
- **Schroders PLC**, the British independent investment banking and fund management group, reported record first-half profit of £131 million, a 13 percent increase over the like period last year.

Bloomberg, Reuters

WORLD STOCK MARKETS

Friday, Sept. 5
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 916.51 Previous: 916.27

	High	Low	Close	Prev.
ABN-AMRO	42.80	41.70	42	42.30
Aegon	159.50	157.80	158.40	159.90
Ahold	56	55.10	55.20	55.40
Akzo Nobel	329.30	327	327.10	327.50
Baan Co.	127.40	124	125.90	126
Bols Wess cva	35.20	34.40	35.20	35
CSM cva	93.60	92.70	93.50	93.50
Dordtsche Pet	113	110	111.90	111
DSM	192.50	190.20	192	192.30
Elsevier	32.50	31.90	32.20	32.10
Fortis Amev	89.50	86.80	86.80	88
Getronics	63.30	62.10	62.60	63
G-Broc cva	56	55.10	55.70	55.60
Hagemeyer	105.70	105	105.20	105.20
Heineken	324	322	323.90	322.50
Hoogovens cva	127	120.10	127	121
Hunt Douglas	91	86.10	91	87.60
ING Group	94.20	92.70	93	93.10
KLM	72.30	71	71.50	72.60
KNP BT	45.10	44.20	44.80	44.60
KPN	74.20	72.50	74	72.80
Nedlloyd Gp	63.70	62.30	62.70	63.30
Nutricia	64.90	63.30	64	63.50
Oce Grinten	250	246.50	248	247.10
Philips Elec	160.20	157	157.70	159.50
Polygram	109.70	107.50	109.50	107.50
Randstad Hdg	85.50	84	85.50	84.60
Robeco	195.50	193.90	195.50	193.50
Rodamco	62.80	61.90	62.50	61.90
Rolinco	194.70	194.60	194.70	194.60
Rorento	117.60	117.50	117.50	117.60
Royal Dutch	112.70	110	111.20	109.90
Unilever cva	441.50	435.80	439.90	437.50
Vendex Intl	108.50	106.40	108	107.70
VNU	44.80	44	44.50	44.10
Wolters Kl cva	253	248.20	249.10	250

Bangkok
SET index: 549.39 Previous: 522.20

	High	Low	Close	Prev.
Adv Info Svc	214	195	214	195
Bangkok Bk F	171	164	170	165
Krung Thai Bk	25.50	24.25	25.25	24.25
PTT Explor	390	376	390	380
Siam Cement F	608	566	608	566
Siam Com Bk F	96	93	95.50	92.50
Telecomasia	31.75	29.50	30.75	29.75
Thai Airways	47.25	43.50	47.25	43
Thai Farm Bk F	110	103	108	102
Utd Comm	127	123	127	123

Bombay
Sensex 30 index: 4032.35 Previous: 4067.74

	High	Low	Close	Prev.
Bajaj Auto	847	817	839.25	819.25
Hindust Lever	1416	1396	1405.25	1400.25
Hindust Petm	504.50	493	494.50	502
Ind Dev Bk	111	108	110.75	107.50
ITC	546.50	538	542.50	544.50
Mahanagar Tel	266	261	265	261.50
Reliance Ind	347	342	343.75	344.25
State Bk India	297	292.25	295.50	294.50
Steel Authority	19.75	19	19.25	19.25
Tata Eng Loco	356	348	353.75	348

Brussels
BEL-20 index: 2436.85 Previous: 2435.35

	High	Low	Close	Prev.
Almanij	1720	1670	1670	1710
Barco Ind	7620	7510	7620	7570
BBL	9800	9670	9670	9730
CBR	3170	3090	3140	3190
Colruyt	18100	17700	17700	18050
Delhaize Lion	1790	1750	1780	1790
Electrabel	7800	7650	7740	7680
Electrafina	3525	3500	3520	3520
Fortis AG	7530	7420	7500	7440
Gevaert	3480	3390	3430	3465
GBL	5940	5760	5860	5820
Gen Banque	14650	14325	14500	14400
Kredietbank	15100	14600	14850	14800
Petrofina	14550	14025	14300	14100
Powerfin	4940	4905	4925	4920
Royale Belge	10700	10350	10550	10500
Soc Gen Belg	3480	3425	3460	3450
Solvay	2230	2185	2200	2185
Tractebel	14900	14800	14800	14850
UCB	127100	124150	126000	126650

Copenhagen
Stock index: 688.64 Previous: 689.72

	High	Low	Close	Prev.
BG Bank	380	373	375	380
Carlsberg B	344	335	340	336
Codan Fors	919	919	919	930
Danisco	370.90	357	367	360
Den Danske Bk	655.65	644	655	645
D/S Svendborg B	420420	419580	420000	425000
D/S 1912 B	295000	290000	291000	290000
FLS Ind B	205	193	203	195
Kob Lufthavne	745	739	744	745
Novo Nordisk B	691.73	677	688	682
Sophus Ber B	993.73	975	985	986
Tele Danmk B	361	355	359	358
Tryg Baltica	390	389	390	400
Unidanmark A	405	396.86	401.40	396

Frankfurt
DAX: 4100.67 Previous: 4071.68

	High	Low	Close	Prev.
AMB B	1585	1570	1570	1580
Adidas	219	217	217.20	219.70
Allianz Hdg	435.80	434	435.50	432.50
Altana	131.50	126	130.20	123.30
Bk Berlin	45.30	44.85	45	44.70
BASF	63.95	63.20	63.72	62.90
Bayer Hypo Bk	72.15	71.80	71.90	70
Bay.Vereinsbank	96	95.70	95.80	96.20
Bayer	70.25	68.60	69.75	68.50
Beiersdorf	82	79.90	81	72.10
Bewag	38.90	38.70	38.80	39
BMW	1321	1298	1304	1325
CKAG Colonia	163	160	163	159.60
Commerzbank	65.60	64.90	65.55	65.10
Daimler Benz	139.20	138.80	138.80	138.60
Degussa	95.80	92	94.80	94
Deutsche Bank	110.65	109.85	109.95	110.95
Deut Telekom	36.95	36.35	36.60	36.70
Dresdner Bank	75.30	74.40	74.65	72.60
Fresenius	312	305	310	312
Fresenius Med	134.90	130.20	130.30	131.50
Fried. Krupp	397	390	393.50	380.50
Gehe	110.10	109.20	109.60	109.60
Heidelbg Zmt	150	147.40	150	147.50
Henkel pfd	102.30	101.50	101.65	101.20
HEW	476.15	476.15	476.15	476.15
Hochtief	87.90	84.60	86.80	84
Hoechst	74.90	74.20	74.70	74.90
Karstadt	655	648	652	652.50
Lahmeyer	92.50	90.50	91.50	89.80
Linde	1245	1230	1230	1235
Lufthansa	38	37.50	37.85	37.05
MAN	513	498	512	496
Mannesmann	918	909.50	910.50	889
Metallgesellschaft	40.10	40	40.05	40.05
Metro	84.80	83.20	84.80	83.90
Munch Rueck R	609	600	604	607
Preussag	486	476.20	485	483
RWE	82.70	82	82.25	82.20
SAP pfd	425.50	423.50	425.40	424.50
Schering	184.50	180.50	184	179.80
SGL Carbon	240	233	240	241
Siemens	116.80	116	116.75	115.55
Springer (Axel)	1515	1515	1515	1535
Suedzucker	863	860	860	855
Thyssen	441	435.50	435.50	436.50
Veba	101.60	100.80	101.25	101.10
VEW	583	580	583	574
Viag	772	770	770.20	778.50
Volkswagen	1350	1339	1349	1345

Helsinki
HEX General index: 3445.60 Previous: 3399.82

	High	Low	Close	Prev.
Enso A	47.40	47.30	47.40	49.50
Huhtamaki I	216	212	212	214
Kemira	48	45.50	47.60	46.50
Kesko	72	68.50	72	69.40
Merita A	21.90	20.70	21.70	21.20
Metra B	160	157	158.50	159
Metso-Serla B	46.80	45.10	46.50	45.50
Neste	140	137	140	137
Nokia A	459	447.50	450	451
Orion-Yhtymae	175	174	175	175
Outokumpu A	90.50	88	90	89
UPM-Kymmene	131.50	126.50	130.50	127
Valmet	80	78.50	80	79

Hong Kong
Hang Seng: 14563.55 Previous: 14199.17

	High	Low	Close	Prev.
Amoy Props	7.85	7.60	7.80	7.70
Bk East Asia	27.40	26.30	27.20	26.70
Cathay Pacific	12.90	12.15	12.70	12.25
Cheung Kong	84.75	82	84.50	82
CK Infrastruct	24.25	22.95	23.55	22.95
China Light	39.40	38	39.20	38.10
Citic Pacific	43.20	41.80	43	41.90
Dao Heng Bk	35.50	34.20	35.50	35.30
First Pacific	7.65	7.35	7.55	7.65
Hang Lung Dev	14.20	14	14.10	14.20
Hang Seng Bk	97	93	95.25	94
Henderson Inv	8.90	8.55	8.75	8.70
Henderson Ld	67	64.75	66.75	64.50
HK China Gas	15.60	15	15.45	15.50
HK Electric	28.65	28.25	28.40	28.60
HK Telecomm	17.30	16.10	17.30	16.05
Hopewell Hdgs	4.42	4.28	4.38	4.42
HSBC Hdgs	240	234	240	237
Hutchison Wh	71.25	67.75	71	67.25
Hysan Dev	23.50	22.80	23.40	22.90
Johnson El Hdg	19.20	18.95	19	19.50
Kerry Props	18.70	18.50	18.55	18.50
New World Dev	48.10	46.60	47.80	46.90
Oriental Press	2.63	2.55	2.63	2.58
Pearl Oriental	1.24	1.17	1.19	1.20
SHK Props	88.50	85.25	88.50	85.25
Shun Tak Hdgs	4.47	4.28	4.45	4.40
Sino Land Co.	7.25	7	7.25	7.05
Sth China Post	6.45	6.15	6.45	6.15
Swire Pac A	65	62.50	64.50	62.50
Wharf Hdgs	28.95	28	28.90	28
Wheelock	16.50	16	16.50	16

Jakarta
Composite index: 594.11 Previous: 533.87

	High	Low	Close	Prev.
Astra Intl	4325	3750	4275	3400
Bk Intl Indon	1125	925	1100	900
Bk Negara	1200	1100	1150	1050
Gudang Garm	10500	9200	10200	9100
Indocement	3775	3200	3775	3075
Indofood	4550	4100	4500	3975
Indosat	8250	7600	7775	7525
Sampoerna HM	8250	7500	8225	7150
Semen Gresik	3600	3225	3600	3100
Telekomunikasi	3600	3400	3575	3200

Johannesburg
All Market: 7400.24 Previous: 7334.89

	High	Low	Close	Prev.
Amalgamtd Bks	31.35	30.50	31.30	30.30
AngloAm Coal	269.50	269.50	269.50	269.50
AngloAm-Corp	250.50	247	250.50	247
AngloAm Gold	245.25	245	245.75	245
AngloAm Ind	196	195	195.50	195
AVMIN	13.50	13.20	13.40	13.25
Barlow	59	56.50	58	56.25
C.G. Smith	24.25	24	24.25	24.20
De Beers	150	149.50	150	150
Driefontein	32.90	32.75	32.80	32.75
Fst Natl Bk	37.50	35.75	37.50	35.75
Gencor	11.80	11.65	11.80	11.75
GFSA	100	99.50	100	100
Imperial Hdgs	64.25	63.75	64	63.75
Ingwe Coal	24.60	24.50	24.60	24.40
Iscor	3.26	3.16	3.20	3.18
Johnnies Indl	65.25	65	65.25	64.50
Liberty Hdgs	387	384.75	387	384.75
Liberty Life	147	145.75	146	146
LibLife Strat	17.35	17.30	17.35	17.35
Minorco	99	98.50	99	98
Nampak	20.10	19.25	20	19.75
Nedcor	98	94.25	98	94
Rembrandt Gp	45.65	45.10	45.50	45
Richemont	65	62.75	64	63.50
Rust Platinum	79.75	79	79.75	79
SA Breweries	140.25	139.50	140.25	139.75
Samancor	38	37	38	36.30
Sasol	66.50	66	66.25	66
SBIC	212	208.25	212	208
Tiger Oats	70.75	70.25	70.75	69.75

Kuala Lumpur
Composite: 821.59 Previous: 731.12

	High	Low	Close	Prev.
AMMB Hdgs	9.95	8.10	9.90	8.05
Genting	11	10.50	10.70	10.30
Mal Banking	19	17.50	18.80	16.20
Mal Intl Ship F	5.40	4.50	5.30	4.18
Petronas Gas	9	8.75	8.90	8.80
Proton	9.20	8	9.20	8
Public Bk	2.79	2.63	2.71	2.48
Renong	3.36	3.16	3.34	3.10
Resorts World	7.15	6.35	7.15	6.20
Rothmans PM	25.50	23	25.25	23
Sime Darby	7.05	6.25	6.70	5.70
Telekom Mal	9.80	8.90	9.75	8.80
Tenaga	8.80	7.80	8.50	7.05
Utd Engineers	12.60	11.30	12	10.20
YTL	5.80	4.60	5.75	4.36

London
FT-SE 100: 4994.20 Previous: 4991.30

	High	Low	Close	Prev.
Abbey Natl	8.86	8.71	8.78	8.66
Allied Domecq	4.79	4.71	4.77	4.72
Anglian Water	8.20	8	8.08	7.98
Argos	6.24	6.15	6.17	6.21
Asda Group	1.47	1.45	1.46	1.46
Assoc Br Foods	5.38	5.29	5.32	5.32
BAA	5.75	5.65	5.70	5.65
Barclays	14.78	14.51	14.67	14.37
Bass	8.52	8.41	8.48	8.45
BAT Ind	5.34	5.25	5.31	5.29
Bank Scotland	4.40	4.31	4.40	4.33
Blue Circle	4.05	3.90	3.95	3.98
BOC Group	10.68	10.56	10.64	10.63
Boots	8.05	7.95	8.02	7.97
BPB Ind	3.57	3.48	3.56	3.48
Brit Aerosp	15.48	15.18	15.31	15.08
Brit Airways	6.45	6.35	6.42	6.43
BG	2.77	2.71	2.75	2.73
Brit Land	5.97	5.86	5.93	5.85
Brit Petm	9.32	9.20	9.26	9.17
BSkyB	4.64	4.51	4.60	4.55
Brit Steel	1.75	1.72	1.72	1.71
Brit Telecom	4.67	4.10	4.18	4.08
BTR	2.21	2.15	2.18	2.17
Burmah Castrol	10.95	10.72	10.94	10.78
Burton Gp	1.22	1.21	1.21	1.22
Cable Wireless	5.61	5.42	5.50	5.53
Cadbury Schw	6.07	5.93	6.06	5.94
Carlton Comm	4.98	4.87	4.92	4.95
Coml Union	7.48	7.36	7.44	7.42
Compass Gp	6.02	5.99	6.02	6
Courtaulds	3.20	3.10	3.15	3.10
Dixons	6.48	6.40	6.42	6.50
Electrocomponents	4.80	4.73	4.76	4.71
EMI Group	5.87	5.70	5.78	5.65
Energy Group	6.35	6.31	6.31	6.32
Enterprise Oil	6.94	6.86	6.90	6.91
Fam Colonial	1.74	1.72	1.73	1.73
Genl Accident	9.65	9.55	9.64	9.60
GEC	3.97	3.90	3.94	3.97
GKN	12.90	12.78	12.86	12.71
Glaxo Wellcome	13.40	13.23	13.37	13.16
Granada Gp	8.14	8.04	8.10	8.05
Grand Met	5.89	5.80	5.82	5.75
GRE	2.87	2.82	2.86	2.82
Greenalls Gp	4.73	4.68	4.73	4.73
Guinness	5.59	5.51	5.54	5.53
GUS	6.46	6.23	6.38	6.27
Hays	6.45	6.37	6.41	6.43
HSBC Hldgs	19.78	19.34	19.55	19.49
ICI	10.18	10.07	10.17	10.21
Impl Tobacco	3.97	3.88	3.89	3.94
Kingfisher	7.57	7.47	7.55	7.59
Ladbroke	2.60	2.55	2.56	2.59
Land Sec	9.16	9.05	9.12	9.14
Lasmo	2.67	2.64	2.64	2.66
Legal Genl Grp	4.87	4.63	4.67	4.67
Lloyds TSB Gp	7.60	7.45	7.56	7.59
LucasVarity	2.10	2.06	2.07	2.06
Marks Spencer	6.14	6.09	6.13	6.07
MEPC	4.72	4.67	4.71	4.68
Mercury Asset	12.95	12.40	12.57	12.95
National Grid	2.72	2.67	2.68	2.70
Natl Power	5.70	5.37	5.67	5.65
NatWest	8.20	8.10	8.16	8.14
Next	7.77	7.70	7.72	7.73
Norwich Union	3.56	3.14	3.53	3.52
Orange	2.22	2.16	2.18	2.18
P&O	6.54	6.45	6.53	6.47
Pearson	7.47	7.35	7.37	7.36
Pilkington	1.44	1.40	1.44	1.43
PowerGen	7.80	7.70	7.78	7.72
Premier Farnell	5.38	5.32	5.33	5.31
Prudential	6.39	6.29	6.36	6.37
Railtrack Gp	7.79	7.69	7.73	7.79
Rank Group	3.52	3.47	3.50	3.51
Reckitt Colm	9.72	9.53	9.72	9.55
Redland	3	2.90	2.99	2.90
Reed Intl	5.85	5.70	5.81	5.68
Rentokil Initial	2.31	2.26	2.29	2.26
Reuters Hldgs	6.45	6.26	6.39	6.33
Rexam	3	2.93	2.95	2.94
RTZ reg	10.07	9.86	9.96	9.85
RMC Group	10.57	10.42	10.43	10.55
Rolls Royce	2.33	2.26	2.27	2.31
Royal Bk Scot	6.20	6.01	6.14	5.98
Royal & Sun All	5.28	5.19	5.24	5.23
Safeway	3.99	3.90	3.97	3.91
Sainsbury	4.37	4.30	4.35	4.34
Schroders	18.73	17.90	18.23	18.69
Scot Newcastle	7.41	7.33	7.39	7.41
Scot Power	4.63	4.56	4.61	4.57
Securicor	2.67	2.63	2.67	2.65
Severn Trent	8.77	8.65	8.69	8.73
Shell Transp R	4.56	4.45	4.48	4.47
Siebe	11.70	11.47	11.57	11.50
Smith Nephew	1.83	1.80	1.83	1.80
SmithKline	5.74	5.46	5.64	5.59
Smiths Ind	8.57	8.38	8.44	8.42
Sthern Elec	4.65	4.55	4.61	4.61
Stagecoach	7.16	6.60	6.62	6.65
Stand Charter	8.90	7.82	8.08	8.21
Tate & Lyle	4.18	4.07	4.13	4.10
Tesco	4.29	4.22	4.27	4.23
Thames Water	8.63	8	8.01	8.04
3I Group	4.95	4.86	4.92	4.85
TI Group	6.07	5.96	5.96	5.99
Tomkins	3.11	3.05	3.08	3.06
Unilever	18.37	18.10	18.25	18.13
Utd Assurance	4.43	4.38	4.38	4.43
Utd News	7.33	7.13	7.33	7.15
Utd Utilities	7.05	6.92	6.97	6.94
Vendome Lx uts	4.55	4.53	4.54	4.55
Vodafone	3.33	3.26	3.31	3.25
Whitbread	8.29	8.20	8.29	8.20
Williams Hdgs	3.70	3.65	3.69	3.65
Wolseley	4.83	4.79	4.83	4.82
WPP Group	2.87	2.83	2.83	2.85
Zeneca	19.50	19.20	19.33	19.30

Madrid
Bolsa index: 591.28 Previous: 586.79

	High	Low	Close	Prev.
Acerinox	25100	24160	24400	24960
ACESA	1880	1850	1865	1840
Aguas Barcelon	5640	5550	5580	5600
Argentaria	7820	7750	7770	7750
BBV	4205	4120	4175	4125
Banesto	1490	1455	1475	1460
Bankinter	8140	7980	8010	7960
Bco Centro Hisp	5920	5850	5890	5850
Bco Popular	35100	34800	34970	34900
Bco Santander	4340	4230	4300	4225
CEPSA	4560	4505	4525	4550
Continente	3040	2950	2975	2990
Corp Mapfre	8590	8480	8500	8550
Endesa	3250	3180	3215	3180
FECSA	1235	1190	1215	1190
Gas Natural	7200	6900	7150	6900
Iberdrola	1730	1710	1720	1715
Pryca	2735	2660	2670	2725
Repsol	6220	6130	6160	6130
Sevillana Elec	1370	1335	1350	1340
Tabacalera	8200	8020	8150	8000
Telefonica	4290	4205	4275	4205
Union Fenosa	1230	1210	1230	1220
Valenc Cement	2850	2820	2830	2830

Manila
PSE index: 2109.22 Previous: 2077.48

	High	Low	Close	Prev.
Ayala B	15	14.25	14.50	14.25
Ayala Land	17.50	16.75	17.50	17
Bk Philip Isl	120	108	116	111
C&P Homes	4.40	4.10	4.15	4.25
Manila Elec A	71.50	69.50	70	69.50
Metro Bank	357.50	350	355	355
Petron	4.85	4.35	4.75	4.45
PCIBank	167	151	151	150
Phil Long Dist	890	865	875	880
San Miguel B	53	51.50	52	51
SM Prime Hdg	6.80	6.40	6.80	6.40

Mexico
Bolsa index: 4891.95 Previous: 4891.46

	High	Low	Close	Prev.
Alfa A	64.30	63.50	64.10	63.50
Banacci B	24.15	23.30	23.50	23.70
Cemex CPO	40.30	39.40	39.40	39.95
Cifra C	15.00	14.68	14.70	14.74
Emp Moderna	41.70	41.20	41.20	41.60
Gpo Carso A1	57.60	56.60	57.10	56.50
Gpo F Bcomer	3.60	3.48	3.50	3.55
Gpo Fin Inburso	33.55	33.30	33.30	33.00
Kimb Clark Mex	37.60	36.90	36.90	37.00
Televisa CPO	144.50	142.40	143.20	140.00
TelMex L	19.20	18.72	18.78	18.86

Milan
MIB Telematico: 14701.00 Previous: 14626.00

	High	Low	Close	Prev.
Alleanza Assic	15155	14810	14810	14970
Bca Comm Ital	4715	4630	4670	4700
Bca Fideuram	6230	6055	6200	6165
Bca di Roma	1757	1701	1730	1687
Benetton	27350	26600	27050	26950
Credito Italiano	3670	3600	3660	3680
Edison	8550	8250	8450	8345
ENI	10090	9925	9935	9955
Fiat	5935	5810	5820	5865
Generali Assic	38200	37700	37850	38200
IMI	17590	17300	17380	17560
INA	2655	2605	2615	2630
Italgas	5610	5500	5595	5480
Mediaset	7995	7800	7945	7940
Mediobanca	12370	11910	12285	12020
Montedison	1178	1116	1170	1108
Olivetti	785	748	775	775
Parmalat	2770	2720	2730	2750
Pirelli	4805	4690	4700	4750
RAS	15090	14805	14885	14890
Rolo Banca	23150	22700	22700	22650
S Paolo Torino	13400	13005	13080	13180
Telecom Italia	11425	11075	11235	11120
TIM	6335	6080	6265	6075

Montreal
Industrials index: 3570.75 Previous: 3595.41

	High	Low	Close	Prev.
Bca Mob Com	50.80	50.60	50.60	50.80
Cdn Tire A	27½	26¾	27½	26½
Cdn Util A	37.90	37.80	37.80	37.60
CT Finl Svc	43½	43¼	43¼	43¼
Gaz Metro	18½	18.35	18.35	18.40
Gt-West Lifeco	33.30	33¼	33¼	33.30
Imasco	39¾	39.55	39.55	39.65
Investors Grp	34.10	33.95	34	34
Loblaw Cos	20.20	20.05	20.20	20.10
Natl Bk Canada	17.70	17½	17.55	17.55
Power Corp	39.15	38.80	38.80	39
Power Finl	37.70	37.05	37.05	37.55
Quebecor B	25.65	25.30	25½	25½
Rogers Comm B	9.90	9.90	9.90	9.90
Royal Bk Cda	66½	65.20	65.40	65.95

Oslo
OBX index: 702.43 Previous: 699.39

	High	Low	Close	Prev.
Aker A	132	127	127	131
Bergesen Dy A	200.50	200	200	199
Christiania Bk	25.80	25.20	25.20	25.30
Den norske Bk	31.20	30.30	30.80	30.30
Elkem	140	134	134	136
Hafslund A	46	44.50	46	44
Kvaerner Asa	392	386.50	386.50	393
Norsk Hydro	436	426	434	429
Norske Skog A	275	260	273	275
Nycomed A	161	146	160	158
Orkla Asa A	550	542	550	543
Petm GeoSvc	464	456	460	455
Saga Petm A	164	148	162	164
Schibsted	126	123	123	125.50
Transocean Off	N.T.	N.T.	N.T.	690
Storebrand Asa	50.50	49	50.50	49.50

Paris
CAC-40: 2924.51 Previous: 2926.99

	High	Low	Close	Prev.
Accor	975	954	972	959
AGF	243.50	233.50	238.50	235
Air Liquide	942	922	931	920
Alcatel Alsth	807	786	796	792
Axa-UAP	403.50	398.20	401.30	399.40
Bancaire	713	695	710	693
BIC	441	415.50	426	440.20
BNP	289.40	277.30	285.30	282.70
Canal Plus	1049	1020	1027	1024
Carrefour	3620	3515	3564	3675
Casino	susp.	susp.	susp.	302
CCF	334	317.10	322.70	325
Cetelem	635	610	619	625
Christian Dior	860	848	853	860
CLF-Dexia Fran	584	574	574	573
Credit Agricole	1304	1286	1304	1285.10
Danone	917	894	898	914
Elf-Aquitaine	775	754	755	760
Eridania BS	851	830	835	839
Eurodisney	8.60	8.50	8.50	8.60
Eurotunnel	6.85	6.75	6.80	6.80
Gen. Eaux	720	707	714	706
Havas	404.80	396.10	396.10	400.90
Imetal	860	830	854	834
Lafarge	436	423.10	428.10	436.50
Legrand	1215	1172	1196	1197
L'Oreal	2356	2290	2302	2340
LVMH	1347	1307	1310	1308
Michelin B	361.90	353	357	353.30
Paribas A	439.80	431.10	432.40	433
Pernod Ricard	297	292	294.10	296
Peugeot Cit	778	751	773	744
Pinault-Print	2677	2582	2620	2664
Promodes	2200	2156	2156	2190
Renault	171.80	168	169	169.70
Rexel	1735	1707	1715	1744
Rh-Poulenc A	235	231.50	231.90	234.70
Sanofi	611	591	591	599
Schneider	335.70	331.50	332	334
SEB	902	884	889	904
SGS Thomson	562	551	555	560
Ste Generale	792	770	775	768
Sodexho	2730	2705	2728	2715
St Gobain	914	891	891	868
Suez (Cie)	15.25	15.10	15.10	15.10
Suez Lyon Eaux	682	667	667	667
Synthelabo	725	712	715	713
Thomson CSF	169	165	166.20	166.30
Total B	662	633	648	636
Usinor	110.90	108.50	110.50	107.50
Valeo	371	366	366.90	368.50

São Paulo
Bovespa index: 11828.10 Previous: 11438.60

	High	Low	Close	Prev.
Bradesco Pfd	10.50	10.30	10.30	10.30
Brahma Pfd	785.01	770.00	784.99	765.00
Cemig Pfd	54.70	52.00	54.70	51.10
CESP Pfd	83.00	82.00	82.30	80.90
Copel	17.50	16.00	17.00	15.50
Eletrobras	566.00	540.00	565.00	530.00
Itaubanco Pfd	596.00	585.00	590.00	585.00
Light Servicos	503.00	495.00	503.00	480.00
Lightpar	384.99	355.00	365.01	355.00
Petrobras Pfd	303.00	293.00	298.01	288.00
Paulista Luz	191.00	189.00	189.00	184.00
Sid Nacional	43.00	42.90	43.00	41.99
Souza Cruz	10.50	10.05	10.40	10.05
Telebras Pfd	147.50	143.00	146.01	142.00
Telemig	173.00	168.990	170.00	169.00
Telerj	158.00	151.80	151.80	154.97
Telesp Pfd	335.00	325.01	329.03	323.00
Unibanco	38.00	37.50	37.80	38.00
Usiminas Pfd	12.02	11.50	11.99	11.28
CVRD Pfd	28.90	27.00	28.89	26.80

Seoul
Composite index: 708.92 Previous: 687.99

	High	Low	Close	Prev.
Dacom	88000	85400	87900	88000
Daewoo Heavy	7450	7150	7410	7150
Hyundai Eng.	19100	18200	19000	18200
Kia Motors	12000	11500	11900	12400
Korea El Pwr	23600	23100	23300	23600
Korea Exch Bk	5280	5200	5260	5110
LG Semicon	42000	40300	42000	40800
Pohang Iron St	59000	56000	59000	56200
Samsung Display	46500	45000	46400	45500
Samsung Elec	70000	68100	69600	68300
Shinhan Bank	9000	8700	8950	8750
SK Telecom	480000	472000	480000	473000

Singapore
Straits Times: 1884.86 Previous: 1826.61

	High	Low	Close	Prev.
Asia Pac Brew	5.30	5.10	5.30	5.15
Cerebos Pac	6.20	5.30	5.90	5.20
City Devits	10.40	9.70	10.20	9.60
Cycle Carriage	9.55	9.25	9.55	9.25
Dairy Farm Int *	0.85	0.84	0.84	0.86
DBS foreign	16.90	16.80	16.30	15.40
DBS Land	3.94	3.70	3.82	3.66
Fraser & Neave	9.45	8.85	9.40	8.70
HK Land *	3.10	2.97	2.97	2.90
Jard Matheson *	7.95	7.65	7.95	7.70
Jard Strategic *	3.84	3.80	3.84	3.82
Keppel A	5.45	5.25	5.40	5.25
Keppel Bank	3.22	3.12	3.20	3.04
Keppel Fels	4.02	3.98	4	3.86
Keppel Land	4.12	3.98	4.10	3.98
OCBC foreign	11.20	10.40	11	10
OS Union Bk F	7.50	7.20	7.50	7
Parkway Hdgs	6.35	5.85	6.30	5.85
Sembawang	6.30	6	6.25	5.95
Sing Air foreign	12.80	12.10	12.50	11.90
Sing Land	7.20	6.70	7.05	6.50
Sing Press F	24.20	23.50	23.90	23
Sing Tech Ind	2.63	2.45	2.60	2.42
Sing Telecomm	2.20	2.10	2.19	2.06
Tat Lee Bank	2.79	2.77	2.78	2.75
Utd Industrial	1.02	0.98	1.01	0.99
Utd OSea Bk F	11.50	10.90	11.50	10.70
Wing Tai Hdgs	3.12	3.08	3.12	3

*: in U.S. dollars.

Stockholm
SX 16 index: 3309.39 Previous: 3339.73

	High	Low	Close	Prev.
AGA B	115	113	114.50	114
ABB A	112	109	110	113
AssiDoman	244.50	243	244	244.50
Astra A	133	128	131	129
Atlas Copco A	254.50	246	248	253.50
Autoliv	310.50	307	307.50	311
Electrolux B	552	543	544	544
Ericsson B	331	324.50	325	333
Hennes B	328	320	327	322
Incentive A	732	726	730	736
Investor B	404	393	393	398.50
MoDo B	276	272	274.50	272
Nordbanken	255.50	252	254	252.50
Pharm/Upjohn	278.50	273	274	271.50
Sandvik B	251	246	246	249
Scania B	219	214.50	214.50	218
SCA B	187	180	185	185
S-E Banken A	87.50	86	86	87.50
Skandia Fors	337.50	329	334	332.50
Skanska B	319	312.50	312.50	317
SKF B	222	217	218	220
Sparbanken A	181	178.50	179.50	180
Stora A	132	129	130.50	130
Sv Handles A	250	242	244	244.50
Volvo B	207	202.50	204.50	204.50

Sydney
All Ordinaries: 2626.80 Previous: 2608.58

	High	Low	Close	Prev.
Amcor	8.70	8.55	8.70	8.55
ANZ Bkg	9.92	9.76	9.92	9.74
BHP	16.96	16.70	16.77	16.73
Boral	4.07	4	4.05	4
Brambles Ind.	27.30	27.04	27.15	27.06
CBA	15.47	15.33	15.38	15.34
CC Amatil	14.22	13.90	14.22	13.87
Coles Myer	6.62	6.56	6.57	6.60
Comalco	7.13	7.08	7.10	7.05
CSR	5.18	5.08	5.14	5.10
Fosters Brew	2.67	2.63	2.67	2.63
Goodman Fld	2.04	1.98	2.01	1.97
ICI Australia	12.56	12.25	12.40	12.48
Lend Lease	30.30	29.10	30.25	29
MIM Hdgs	1.67	1.60	1.66	1.61
Nat Aust Bank	19.25	19	19.18	19.05
Nat Mutual Hdg	2.09	2.05	2.07	2.09
News Corp	6.35	6.29	6.32	6.29
Pacific Dunlop	3.67	3.60	3.65	3.64
Pioneer Intl	4.53	4.46	4.51	4.46
Pub Broadcast	8.40	8.31	8.38	8.30
Rio Tinto	20	19.85	19.85	19.87
St George Bank	8.07	8.04	8.06	8.06
WMC	6.99	6.83	6.87	6.94
Westpac Bkng	7.94	7.83	7.94	7.83
Woodside Pet	11.80	11.53	11.68	11.55
Woolworths	4.18	4.14	4.15	4.18

Taipei
Stock Market index: 9298.39 Previous: 9147.85

	High	Low	Close	Prev.
Cathay Life Ins	134.50	132	132.50	132
Chang Hwa Bk	103	100.50	101	100
Chiao Tung Bk	84	82	82.50	82.50
China Develpmt	124.50	120.50	123	122
China Steel	29	27.90	28.50	27.80
First Bank	103	101	102	101
Formosa Plastic	61	60	60.50	60
Hua Nan Bk	112.50	109	110	109
Intl Comm Bk	55.50	54	54.50	54
Nan Ya Plastics	72	70.50	71.50	70.50
Shin Kong Life	85	83	84	83
Taiwan Semi	156	151	156	151
Tatung	45.90	45	45.50	45
Utd Micro Elec	122	115.50	120.50	117.50
Utd World Chin	64.50	63.50	64	63.50

Tokyo
Nikkei 225: 18650.17 Previous: 18415.86

	High	Low	Close	Prev.
Ajinomoto	1110	1080	1100	1080
All Nippon Air	711	706	710	715
Amway	3610	3510	3600	3630
Asahi Bank	883	875	876	879
Asahi Chem	628	617	621	633
Asahi Glass	915	910	913	920
Bk Tokyo Mitsu	2190	2140	2170	2200
Bk Yokohama	525	517	520	517
Bridgestone	2790	2730	2770	2780
Canon	3570	3520	3560	3550
Chubu Elec	2040	2020	2040	2040
Chugoku Elec	1980	1960	1970	1980
Dai Nipp Print	2640	2590	2640	2630
Daiei	800	765	787	805
Dai-Ichi Kang	1410	1390	1390	1410
Daiwa Bank	632	622	622	630
Daiwa House	1390	1360	1390	1360
Daiwa Sec	760	732	735	754
DDI	6170a	6110a	6170a	6190a
Denso	2860	2790	2830	2790
East Japan Ry	5620a	5560a	5600a	5580a
Eisai	2350	2270	2340	2280
Fanuc	5100	5000	5100	4980
Fuji Bank	1480	1460	1460	1490
Fuji Photo	4800	4720	4780	4800
Fujitsu	1480	1450	1470	1470
Hachijuni Bk	1180	1160	1180	1170
Hitachi	1100	1070	1090	1120
Honda Motor	3940	3810	3910	3830
IBJ	1620	1600	1600	1630
IHI	375	366	375	368
Itochu	507	501	507	504
Ito-Yokado	6450	6320	6450	6360
JAL	503	495	503	502
Japan Tobacco	9490a	9300a	9490a	9300a
Jusco	3190	3010	3170	3010
Kajima	620	606	617	632
Kansai Elec	2260	2250	2260	2270
Kao	1700	1690	1700	1710
Kawasaki Hvy	453	448	449	454
Kawa Steel	281	275	278	283
Kinki Nipp Ry	688	685	688	690
Kirin Brewery	1090	1030	1080	1040
Kobe Steel	162	160	160	161
Komatsu	747	739	745	745
Kubota	488	481	481	485
Kyocera	8070	7890	8070	7970
Kyushu Elec	1990	1970	1990	1980
LTCB	590	577	590	593
Marubeni	432	426	427	432
Marui	1940	1910	1940	1960
Matsu Comm	4000	3900	4000	3990
Matsu Elec Ind	2230	2210	2210	2220
Matsu Elec Wk	1330	1310	1320	1340
Mitsubishi	1120	1110	1120	1140
Mitsubishi Ch	340	331	337	336
Mitsubishi El	540	532	536	545
Mitsubishi Est	1630	1600	1630	1640
Mitsubishi Hvy	771	760	769	772
Mitsubishi Mat	699	693	699	696
Mitsubishi Tr	1690	1660	1680	1690
Mitsui	1010	995	1000	1010
Mitsui Fudosn	1390	1350	1390	1370
Mitsui Trust	635	620	625	625
Murata Mfg	5200	5190	5200	5330
NEC	1400	1370	1400	1390
Nikko Sec	2110	2060	2110	2080
Nikon	561	553	561	564
Nintendo	10500	10400	10500	10600
Nipp Express	816	802	814	802
Nippon Oil	520	505	515	509
Nippon Steel	300	295	298	298
Nissan Motor	770	748	758	756
NKK	190	184	190	188
Nomura Sec	1600	1570	1600	1580
NTT	1130b	1110b	1130b	1130b
NTT Data	5330b	5270b	5300b	5350b
Oji Paper	610	603	605	601
Osaka Gas	284	279	281	281
Ricoh	1720	1700	1710	1700
Rohm	13700	13700	13700	13900
Sakura Bk	735	717	731	723
Sankyo	3940	3870	3910	3900
Sanwa Bank	1560	1530	1560	1550
Sanyo Elec	427	416	422	418
Secom	8290	8240	8260	8250
Seibu Rwy	5740	5660	5720	5740
Sekisui Chem	1040	1020	1020	1030
Sekisui House	1180	1170	1180	1180
Seven-Eleven	8940	8850	8850	8960
Sharp	1150	1110	1150	1150
Shikoku El Pwr	1990	1970	1980	1980
Shimizu	620	606	612	625
Shin-etsu Ch	3240	3140	3200	3130
Shiseido	2020	1990	2020	2000
Shizuoka Bk	1310	1290	1310	1320
Softbank	5570	5300	5400	5640
Sony	11500	11100	11400	11200
Sumitomo	980	961	980	968
Sumitomo Bk	1740	1700	1720	1740
Sumit Chem	464	456	459	472
Sumitomo Elec	1810	1790	1810	1810
Sumit Metal	285	278	285	285
Sumit Trust	1220	1190	1210	1220
Taisho Pharm	3000	2950	2970	2990
Takeda Chem	3430	3390	3420	3440
TDK	10100	9620	10000	9690
Tohoku El Pwr	1980	1960	1970	2000
Tokai Bank	1040	1030	1040	1040
Tokio Marine	1400	1390	1400	1400
Tokyo El Pwr	2270	2260	2270	2270
Tokyo Electron	6910	6750	6790	6850
Tokyo Gas	293	286	293	290
Tokyu Corp.	625	615	621	638
Tonen	1160	1140	1160	1160
Toppan Print	1770	1730	1760	1760
Toray Ind	792	788	789	799
Toshiba	684	675	680	682
Tostem	2480	2470	2470	2490
Toyo Trust	1010	996	1000	1010
Toyota Motor	3350	3280	3330	3350
Yamanouchi	3030	2990	3010	3000

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6732.86 Previous: 6722.06

	High	Low	Close	Prev.
Abitibi Cons.	24.30	24	24	24.15
Alberta Energy	31.20	31	31.20	31
Alcan Alum	50	49	49.15	49.35
Anderson Expl	17.90	17.70	17.85	17.80
Bk Montreal	53.05	51.90	52.05	52.55
Bk Nova Scotia	59.35	57.80	58½	58.90
Barrick Gold	31¼	30.95	31.10	31.15
BCE	40.30	39½	39.85	39.65
BC Telecomm	34¼	33.90	34.15	33.90
Biochem Pharm	38¼	37.90	37.90	37.90
Bombardier B	28.85	28¼	28¼	28.60
Cameco	47.10	46.35	46.35	47
CIBC	37.10	36.10	36.65	36.60
Cdn Natl Rail	69.90	69.40	69½	69.65
Cdn Nat Res	39¼	38.15	39.70	38.10
Cdn Occid Pet	35.95	35.60	35.85	35¼
Cdn Pacific	41.55	41.15	41.20	41.35
Cominco	36.80	35.60	35.60	36.40
Dofasco	28	27.80	27.90	27.90
Domtar	11.65	11.55	11.60	11.60
Donohue A	32¼	31.35	32¼	31.45
Du Pont Cda A	32½	31.80	32½	32¼
EdperBrascan	23.65	23.40	23.45	23.65
EuroNev Mng	20¼	20¼	20.40	20½
Fairfax Finl	392	392	392	392
Falconbridge	25.60	25¼	25.35	25½
Fletcher Chall A	24	23½	23.70	23.60
Franco Nevada	32	30¼	31	31.60
Gulf Cda Res	11.70	11.45	11.60	11.40
Imperial Oil	77½	77¼	77¼	77¼
Inco	37½	37.10	37.15	37.15
IPL Energy	52	51½	51½	51¼
Laidlaw B	21.45	21.15	21.30	21¼
Loewen Group	42¼	42.15	42.60	42.15
Macmill Bld	17.55	17.30	17¼	17.45
Magna Intl A	94.95	93¼	94.80	93.40
Methanex	11.70	11.60	11.65	11.65
Moore	28.65	28.40	28.60	28½
Newbridge Net	77.45	75	76.90	75.65
Noranda Inc	27.60	27¼	27.35	27.45
Norcen Energy	35	34.45	34.85	34½
Nthern Telecom	142¼	139¼	139.90	139.85
Nova	11.90	11.80	11.80	11.80
Onex	31¼	31	31	31.15
Pancdn Petlm	25.80	25½	25½	25.70
Petro Cda	25¼	25.35	25½	25¼
Placer Dome	22.85	22½	22.60	22.45
Poco Petlm	13.65	13½	13.55	13.45
Potash Sask	108.90	108.40	108½	108.90
Renaissance	35.60	35	35.45	35¼
Rio Algom	31.90	31.55	31.55	31.80
Rogers Cantel B	27½	27.40	27.40	27.40
Seagram Co	49.40	49	49.15	49
Shell Cda A	22.15	21.80	22.10	22.05
Suncor	47½	46¼	47.45	46.60
Talisman Eny	47	46	46.55	45.80
Teck B	26.10	25.80	26.10	25.55
Teleglobe	46½	43.90	46.20	43.80
Telus	28.05	27.85	28.05	27¾
Thomson	33.40	32.30	32½	32¼
TorDom Bank	43.30	42.05	42½	42.80
Transalta	17.55	17.40	17.45	17.40
TransCda Pipe	26.65	26.45	26.60	26½
Trimark Finl	69.65	68½	69.40	69½
Trizec Hahn	31.60	31	31.10	31.55
TVX Gold	7.30	7.15	7.15	7.15
Westcoast Eny	27½	27.15	27.45	27.10
Weston	95¼	94.30	94½	95¼

Vienna
ATX index: 1401.89 Previous: 1394.02

	High	Low	Close	Prev.
Boehler-Uddeh	1031.10	1006.10	1025.10	1013
Creditanst Pfd	654.90	645.10	654	652
EA-Generali	3115.40	3060	3093.60	3080
EVN	1565.50	1450	1560	1533
Flughafen Wien	495	490	495	492.70
OMV	1823	1777	1812	1800.90
Oest Elektriz	872	865	867.50	868
VA Stahl	551.90	540.10	549.40	544
VA Tech	2525.50	2483	2512	2509
Wienerberg Bau	2600	2550	2588	2570

Wellington
NZSE-40 index: 2472.67 Previous: 2471.86

	High	Low	Close	Prev.
Air N Zeald B	4.40	4.38	4.38	4.40
Brierly Invt	1.27	1.25	1.25	1.27
Carter Holt ord	3.30	3.25	3.25	3.30
Fletch Ch Bldg	4.45	4.43	4.43	4.43
Fletch Ch Eny	6.07	5.90	6.05	5.88
Fletch Ch Forst	1.90	1.85	1.88	1.83
Fletch Ch Paper	3.15	3.10	3.15	3.10
Lion Nathan	3.92	3.88	3.88	3.92
Telecom NZ	7.90	7.85	7.88	7.84
Wilson Horton	N.T.	N.T.	N.T.	11.65

Zurich
SPI index: 3554.35 Previous: 3525.04

	High	Low	Close	Prev.
ABB B	2199	2155	2188	2178
Adecco B	567	560	565	556
Alusuisse R	1380	1335	1362	1344
Ares-Serono B	2410	2390	2400	2390
Atel R	850	846	846	850
Baer Hdg B	2150	2140	2150	2140
Baloise Hdg R	4320	4170	4300	4170
BK Vision	1090	1070	1090	1080
Ciba Spec Chem	143.50	138.25	140.25	142
Clariant R	1129	1096	1120	1095
Crd Suisse Gp R	185.75	182.75	184	183.75
Elektrowatt B	538	535	538	538
Ems-Chemie	6950	6880	6940	6900
ESEC Hdg	4320	4290	4320	4390
Holderbank B	1340	1321	1321	1339
Liechtenst LB B	587	587	587	584
Nestle R	1859	1837	1844	1837
Novartis R	2273	2231	2248	2237
Oerlikn Bueh R	189	183.25	186	188.50
Pargesa Hld B	1820	1780	1820	1770
PharmVisn B	905	895	896	900
Richemont A	2050	2007	2050	2020
Pirelli PC	332	327	332	330.50
Roche Hdg PC	13615	13210	13475	13220
SBC R	370.50	357	368	357
Schindler PC	1927	1900	1900	1900
SGS B	2825	2740	2740	2770
SMH B	890	883	884	881
Sulzer R	1105	1082	1105	1082
Swiss Reins R	2108	2060	2093	2065
SAirGroup R	1835	1817	1835	1814
UBS B	1537	1505	1532	1507
Winterthur R	1354	1322	1335	1338
Zurich Assur R	613	594	603	593

The Trib Index
Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	172.36	-0.38	-0.22	+15.57
Regional Indexes				
Asia/Pacific	119.89	-0.92	-0.76	-2.87
Europe	183.74	-0.13	-0.07	+13.98
N. America	206.69	-0.59	-0.28	+27.66
S. America	163.77	+1.05	+0.65	+43.12
Industrial Indexes				
Capital goods	223.13	-1.39	-0.62	+30.55
Consumer goods	189.07	-0.45	-0.24	+17.12
Energy	202.26	+0.11	+0.05	+18.48
Finance	127.38	-0.42	-0.33	+9.38
Miscellaneous	178.53	-1.47	-0.82	+10.35
Raw Materials	183.84	-0.25	-0.14	+4.82
Service	161.93	-0.14	-0.09	+17.92
Utilities	164.26	+1.43	+0.88	+14.50

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

NYSE

Friday's 4 P.M. Close
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

EGYPT

LIBERALIZATION. DEREGULATION. PRIVATIZATION.

Egypt has adopted a system of comprehensive development, through a 20-year long term strategy. Adopted for the last 15 years, the economic reform plan has resulted in increased resources and renovated infrastructure. Modules to increase investments were implemented, and resulted in direct investment growth, which currently amounts to 111.2 billion USD. Of this sum, 85 percent are direct local investments, and only 15 percent are foreign grants & assistance.

– President Mohamad Hosni Mubarak
Labour Day Speech - April 30, 1997

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Continued on Page 14

Japan Calls O
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Japan Calls on U.S. To Drop Port Fines

Compiled by Our Staff From Dispatches

TOKYO — Transport Minister Makoto Koga of Japan called Friday for the immediate removal of U.S. sanctions against Japanese shippers, but said retaliatory measures were unlikely.

The Clinton administration imposed a fine Thursday of $100,000 on each Japanese ship for each visit to a U.S. port in an effort to force Tokyo to relax restrictions on U.S. ships seeking freer access to Japanese harbors.

The sanctions are the first imposed on Japan since the Reagan administration set 100 percent tariffs on Japanese computer chips and ultimately forced Japanese companies to buy U.S.-made semiconductors.

In Brussels, the European Commission said it was expressing "its serious concern" to the Japanese government over its failure to remove obstacles for container ships unloading at Japanese ports.

The sanctions were proposed by the independent Federal Maritime Commission, which complained about two restrictions on competition.

One is a practice known as "prior consultation," in which any changes in shipping practices must first be discussed with the Japan Harbor Transportation Association.

The other is the issue of Japanese harbors, which allegedly discriminate against U.S. carriers that have attempted to run their own operations in Japanese ports.

"The EU and U.S.," the commission said in Brussels, "share similar concerns about Japan's prior consultation system, and for many months have applied separate but complementary pressure in favor of reform."

The EU recently held a fourth round of consultations with the Japanese over the dispute, but has yet to decide whether to ask for a hearing before the World Trade Organization, a source said.

Japanese government leaders called the sanctions a violation of the Friendship, Commerce and Navigation Treaty between Japan and the United States.

The three companies that will be exposed to the fine are Nippon Yusen KK, Mitsui O.S.K. Lines Ltd. and Kawasaki Kisen Kaisha Ltd.

Nippon Yusen said its vessel, NYK Springtide, docked at Seattle early Friday, making it the first ship subject to the penalties. The Federal Maritime Commission had said earlier, however, that the first fines would not be due until Oct. 15.

Mr. Koga said that he believed the issue would be resolved through negotiations. Talks continued Friday between Japanese and foreign shippers, the Transport Ministry and stevedores' unions.

A ministry official, who spoke on condition of anonymity, said no agreements had been reached that would satisfy Washington enough to delay or end the sanctions.

Chief Cabinet Secretary Seiroku Kajiyama said at a press conference that the maritime commission's unilateral sanctions violated the treaty.

"We will strongly call for their immediate withdrawal," he said, adding that the Japanese government would "continue to make efforts to settle the issue."

Foreign Minister Yukihiko Ikeda warned that the sanctions could have a "serious, adverse impact on Japan-U.S. economic relations."

Japanese-flagged cargo liners make about 400 calls a year at American ports, docking at such major ports as Seattle; Long Beach, California; Los Angeles; Houston and New York.

The commission initially set the deadline for April 14, but the United States held off imposing sanctions until Sept. 4, citing progress in bilateral talks.

While this dispute focuses on a far narrower problem than the dispute over computer chips, the administration's decision to impose the fines suggests that the recent surge in the Japanese trade deficit — and an impending battle in Congress over the White House's authority to negotiate new trade accords — is leading the White House to take a hard line.

Since mid-1995, after a major confrontation with Japan on automobiles and auto parts, the administration has soft-pedaled trade disputes with Tokyo and focused on repairing damaged political and military ties.

The shipping dispute has been simmering for years, and the only surprise was that the negotiations appeared to have broken down.

Two of the affected Japanese shipping companies said that they would not divert cargo elsewhere, because the cost of doing so would exceed the costs of paying the fine. *(AP, AFP, Reuters, NYT, AFX)*

A Shakeout in 'Red Chips'

Investors Become Selective in Face of Market Turmoil

By Philip Segal
International Herald Tribune

HONG KONG — A shakeout of Hong Kong's "red chip" shares has begun.

As Hong Kong's stock market continues to be plagued by extraordinary volatility — with daily price swings of 3 percent or more now becoming routine — some of the main losers may end up being the smallest, most speculative companies in what has been the market's best-performing sector this year: red chips, or shares in China-backed companies incorporated and traded in Hong Kong.

Many of the smaller red chips have fallen by as much as 65 percent in the last week. As a result, analysts say, there may be a flight to comparative quality in which only a handful of the best-known and best-connected red chips will be able to command the high prices of past months.

Many smaller red chips have fallen up to 65%.

For some smaller red chips, "their cost of capital has been raised substantially," said Jason Cheung, an analyst at UBS Securities. He said some of the companies affected this week include Poly Investments Holdings, a property company controlled by the Chinese Army, and Onfem Holdings, which specializes in making industrial lubricants.

"People will be more cautious toward these shares," Mr. Cheung said.

"It could mean a bigger discount," he said, referring to the lower price-to-earnings ratio the red chips may have to offer to entice investors to buy newly issued shares.

An example is Poly Investments, which fell this week by as much as 63 percent from its all-time high, reached Aug. 26. At the end of the week it was 40 percent off its high, but was still trading at 92 times last year's earnings.

In many ways, Poly is a typical red chip: its high valuation comes despite the fact that its operating profit last year plunged by 87 percent. Earnings per share rose by 133 percent, helped by a one-time exceptional item.

Until this week, almost all red chips had been a one-way bet, as investors sought to cash in on China's growing tendency to raise cash by selling parts of its state-owned industries. Many red chips rose by four and five times in a few months, on hopes that the companies would use investors' cash to buy cheap assets from their mainland parent companies.

For now, though, given the extraordinary volatility in stock and currency markets across Asia, new stock issues for red chips as well as other stocks are probably on hold.

Now is "not the right time" to come to market with new share offerings, said Alex Ko, director at Peregrine Investment Holdings Ltd., a regional investment bank.

Others see different factors driving down the prices that red chip issues will be able to command.

"What's going to direct Chinese capital prices is the likelihood of more supply coming onto the market after the Communist Party Congress," to be held later this month, said Gary Coull, chairman and chief executive of Credit Lyonnais Securities (Asia) Ltd.

"As a general comment, the average company would probably have to offer its shares at a lower price-to-earnings ratio than they would have," he said.

"There will be thousands and thousands of deals," he added, as a result of what is expected to be an acceleration by President Jiang Zemin of China's move to reorganize state-owned enterprises.

■ Taiwan Monitors Large Stock Sales

The Securities Exchange Commission of Taiwan said Friday it had begun monitoring large sales of stock, a move that some investors suggested was designed to intimidate them. Bloomberg News reported from Taipei.

"We're looking into if anybody sells stocks in connection with speculation," said Hsu Yung-pang, a deputy chairman of the commission.

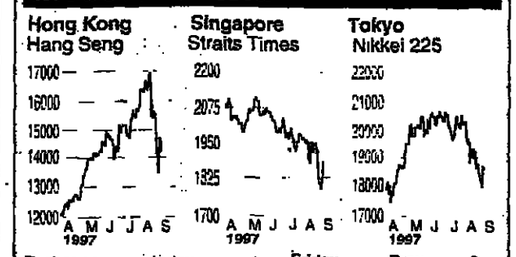
The monitoring underscored the government's desperation to shore up the market after falling stock markets across the region lopped almost 10 percent off Taiwan's main stock index in the past week.

The benchmark Taiwan index rose 1.56 percent Friday, to 9290.39.

Fund management companies need the approval of the Securities Exchange Commission to set up new funds.

"The SEC is coercing local institutions," said Albert Ko of Investment Management Co. "They can do nothing but follow the SEC's request."

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,563.55	14,199.17	+2.57
Singapore	Straits Times	1,884.06	1,826.61	+3.15
Sydney	All Ordinaries	2,626.00	2,608.50	+0.67
Tokyo	Nikkei 225	18,650.17	18,615.06	+0.19
Kuala Lumpur	Composite	821.59	731.12	+12.37
Bangkok	SET	540.39	522.20	+3.48
Seoul	Composite Index	709.92	697.99	+1.88
Taipei	Stock Market Index	9,290.39	9,147.85	+1.56
Manila	PSE	2,109.22	2,077.68	+1.52
Jakarta	Composite Index	594.11	533.87	+11.28
Wellington	NZSE-40	2,472.67	2,471.06	+0.07
Bombay	Sensitive Index	4,032.35	4,007.04	+0.63

Source: Telekurs International Herald Tribune

Very briefly:

• **Hongkong Land Holdings Ltd.**, the property arm of Hong Kong's oldest British conglomerate, **Jardine Matheson Holdings Ltd.**, announced it had formed a joint venture to expand its business in mainland China.

• **Hong Kong's** underground rail network operator, **Mass Transit Railway Corp.**, reported that net profit rose 99.7 percent to 1.51 billion Hong Kong dollars ($194.9 million) in the six months to June.

• **India's** car-finance companies, which provide loans for 75 percent of all car sales, have seen a drop in demand despite lower interest rates, analysts said.

• **Nomura Securities Co., Yamaichi Securities Co., Daiwa Securities Co. and Nikko Securities Co.** — Japan's top four brokerages — lowered their forecasts for corporate earnings growth to 7.8 percent, down 2 percentage points from June.

• **Marui Co.'s** first-half pretax profit fell 5 percent, to 15.6 billion yen ($129.2 million), against the like period last year, following the increase in the national sales tax in April. The retailer also said revenue from its lucrative credit-card division fell 1 percent. *(AFP, Bloomberg)*

OIL: *For Western Companies, Promise of a Russian Development Gusher Turns Into a Trickle*

Continued from Page 9

development a herculean task.

Oil production has dropped to about 6 million barrels (811,000 metric tons) a day this year from 12 million barrels a day in 1987, reflecting the shrinking domestic market and the growing technical problems in retrieving oil from marginal wells. Without an infusion of foreign capital, it is estimated that production could slip to 3.6 million barrels a day within five years.

Initially, Russian leaders saw foreign oil companies as the answer to their prayers. The West would supply the capital and technology to develop the new fields, helping raise employment and increase tax revenue.

The early projects took the form of joint ventures in which foreign companies owned at least 30 percent. But the Russians came up with new taxes and imposed higher transportation costs once the joint ventures were under way, driving up costs and driving away new foreign investors.

Determined to avoid these sorts of problems, Western oil giants and other big investors have insisted on a different arrangement: production-sharing agreements. Under such deals, foreign companies received drilling rights and an assurance that taxes would remain stable. In return, Russia was to receive a share of the oil produced, royalty payments and taxes on company profits.

But getting almost anything new off the ground has proved difficult in Russia's decentralized system of government. New production-sharing projects must be supported by local authorities, as well as the Yeltsin government. And having a Russian partner who is eager to develop the oil has become a political requirement.

The final hurdle to overcome is approval from the Communist-dominated Parliament.

The Yeltsin government originally wanted Parliament to authorize 250 locations where resources could be extracted under production-sharing arrangements. So far, it has approved only seven.

Hurry! Enter Now For Your Share of US$1.2 Billion in El Gordo

• A Tax-Free Jackpot Prize of U.S.$241,206,000 in Cash • Winning Odds are 1 in 6
• *And...* You've A Chance to Win 100 Bonus Tickets if You Enter Before December 8, 1997

That's right! Over US$1.2 Billion in lump sum, tax free cash - with an astounding US$241,206,000 in a single Jackpot Prize - are given away every year in the El Gordo Lottery - Spain's richest National Lottery.

Imagine the things you could do when you win all those millions of dollars...Buy a new home? Quit your job? Send your kids to college? Take a trip around the world?

Now, here's how you can realize your dreams. El Gordo, which means "The Fat One", holds 2 Draws each year under the close supervision of the Government of Spain. In each Draw, *the Jackpot Prize is a huge* ***U.S.$241,206,000*** - or more - probably the biggest prize money to be paid to a single winner in lottery history.

And you have the best chance in El Gordo of winning huge cash prizes. Your odds of winning are **1 in 6**, that's 800 times better than in any other National Lottery in the world!

▶ Order Now and Get a Free Ticket for Every Book of 10 You Order... *Using the* Entry Confirmation Certificate below, order the *number of tickets* you wish to receive - from a minimum of US$75 for 1 ticket to US$1350 for 2 Books of 10 tickets so you increase your chances of winning a large cash prize.

Remember, *you'll get a FREE ticket for every Book of 10 you order. Or buy a Book of 20 and get 2 extra tickets FREE!* That's up to 2 tickets closer to winning your share of the huge Multi-Million Dollar Jackpot Draw in December.

Then fill in your name and address clearly as well as your payment details and mail the Entry Registration Certificate to Overseas Subscribers Agents at the address shown below.

As soon as your Entry Certificate is received, you'll be sent by return an Official Confirmation of Ticket Purchase which will show you the lucky El Gordo ticket numbers which have been *entered for you in the December Draw.*

▶ Send Your Entry Now For a Chance to *Win 100 Bonus Tickets...* *If* you send your completed Entry Certificate and Bonus Draw Voucher (at right) before December 8, 1997, you'll have a chance to win 100 El Gordo Bonus tickets. (Entries received after the deadline will automatically be entered in the July 1998 Draw.)

The next El Gordo Draw will be on **December 22, 1997** but you really have to hurry to order your El Gordo tickets. With the biggest prizes and the best odds of getting a share of the Multi-Million Dollar Jackpot, you can understand how fast the tickets are selling for the December El Gordo Draw, and the closing date is only a few weeks away.

So send your completed Entry Certificate now together with your payment well before the deadline. Act now for a chance to bring home those *millions. Buena Suerte* (Good Luck!)

Playing is Guaranteed Safe and Secure

El Gordo is under the control of the Spanish Government. Your tickets will be deposited in escrow at Banco Central Hispano Americano, one of Spain's largest federally-chartered banks. When you win, your prize money will be transferred to you in U.S. Dollars - awarded to you in the full amount and completely free from Government tax.

BONUS DRAW VOUCHER

WIN **100 FREE EL GORDO TICKETS**

(please print)
NAME: _____
ADDRESS: _____
_____
CITY: _____
COUNTRY _____
PHONE: (_____) _____

"You must reply by the December 8,1997 deadline date for a chance to win an additional 100 FREE El Gordo Lottery tickets.

(Enclose This Voucher With Your Entry Certificate Below)

OSA

NON-TRANSFERABLE ENTRY REGISTRATION CERTIFICATE

EL GORDO JACKPOT PRIZE IN DECEMBER: US$241,206,000.00

YES! I want the opportunity to do the things I've always dreamed about. I'm accepting this offer to enter the December El Gordo Draw. I understand the odds of winning a prize in Spain's richest National Lottery Draw are 1 in 6 with a Jackpot of at least US$241,206,000.00 and that prizes are free of Spanish taxes and are distributed in one lump sum!

Name: _____
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Special Bonus Offer: Get 1 ticket FREE for every Book of 10 you order		
PLEASE SEND ME:		US$
☐ 1 TICKET	(decima)	for just $75
☐ 2 TICKETS	(decimas)	for just $139
☐ 3 TICKETS	(decimas)	for just $209
☐ 4 TICKETS	(decimas)	for just $275
☐ 5 TICKETS	(decimas)	for just $365
☐ BOOK OF 10 DECIMAS		for just $695
☐ 2 BOOKS OF 10 DECIMAS		for just $1350

IF YOU'RE ORDERING 2 OR MORE TICKETS, PLEASE MARK THE CIRCLE FOR THE KIND OF DECIMA TICKET NUMBER YOU'D LIKE TO RECEIVE:
○ Decimas of SAME ticket number
○ Decimas of DIFFERENT ticket numbers

I am enclosing payment or authorizing a credit card charge as follows: *(Tick as Appropriate)*
Please charge my: ☐ American Express ☐ Visa ☐ MasterCard ☐ Diners
Card No: _____
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(Major convertible currency cheques accepted including South African Rand. Must be payable in currency of country in which drawn. Cash in most currencies is also accepted.)

Please provide Tel. and/or Fax No. in case of a big win. Fax: (_____) _____ Tel.: (_____) _____

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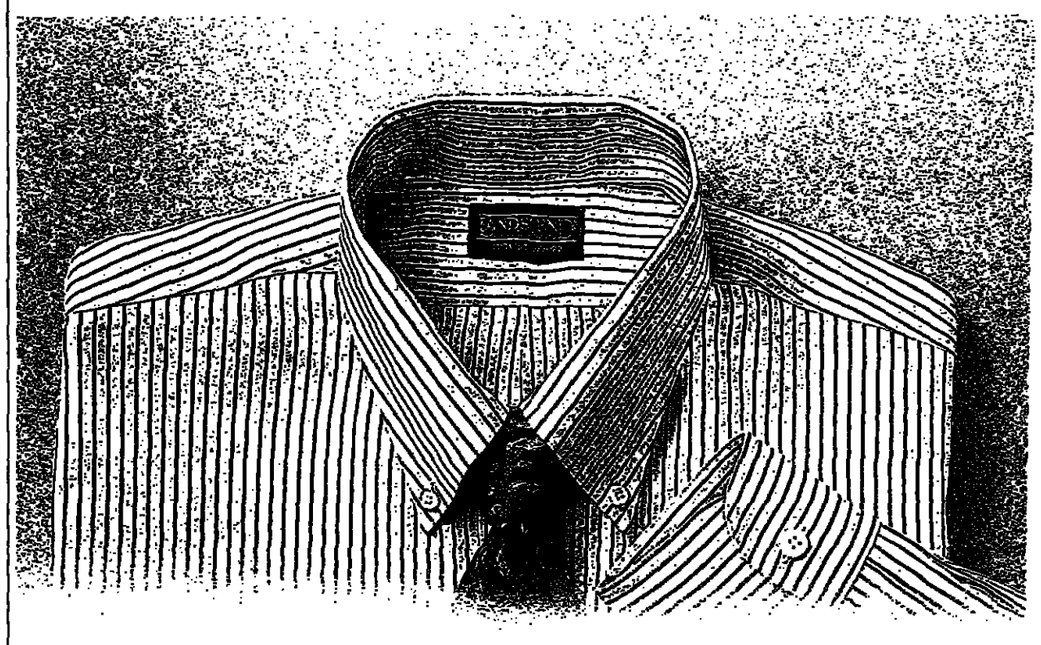
Entries must be received by December 8, 1997. All entries received after this date will automatically be entered into the July 1998 Draw.

HT 997



Why your next dress shirt should come all the way from a little town in America.

Maybe you've heard of us already, *maybe not.*

We're Lands' End Direct Merchants. And if the term "Direct Merchants" is unfamiliar, it simply means that we do our business directly — by catalog.

Like the merchants of old, we shop the world over, searching for the best fabrics, the finest clothing makers. Then, we bring our discoveries home to rural Wisconsin — in America's heartland — where we give everything a good, final inspection before shipping it out to customers like you.

The payoff is in our pages.

Flip through our catalog, and you'll see that shopping our way has all sorts of advantages — starting with the products.

Take our Pinpoint Dress Shirt, for example. It has features that are tough to find anywhere — especially, at our price. The fabric is silky and smooth, the result of a tight weave and what shirtmakers call "80s 2-ply yarns." Our shirtmakers tailor in such classic, Old World features as a genuine split-back yoke and a roomy, full box pleat in back. Even the buttons are a cut above — they're classified as "super durable." (Only 62 buttons in the world are.)

How can we offer such a shirt, so reasonably? It gets back to the way we sell — *directly.* We have no fancy stores to keep up, no middlemen taking a cut. Nothing to artificially inflate our prices.

Ocean? What ocean?

Of course, none of this would matter if shopping with us were troublesome. Fortunately, it's anything but. In fact, we think you'll find it's a pleasure doing business with us — even across any ocean.

Our catalogs give you detailed, factual descriptions of our clothing. You know what you'll get, before you get it. Have questions about something? Talk to our friendly operators. They're here 24 hours a day, waiting to help you.

As an international customer, you even have a choice of three kinds of shipping. So you can choose just the combination of speed and cost that's right for you.

You don't have to worry about ordering the wrong thing, either. Simply return it, any time for any reason, for a full refund. It's unconditionally guaranteed.

Sound interesting? Well, we'd be happy to send you a copy of our catalog. It's free and it's really the best way to get to know us.

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■ Call us: 1-608-935-6170. Please mention ad XR
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■ Visit us at: www.landsend.com/intl-xr

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NASDAQ

Friday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press

NYSE

Friday's 4 P.M. Close

(Continued)

Herald INTERNATIONAL Tribune

THE MONEY REPORT

SATURDAY-SUNDAY, SEPTEMBER 6-7, 1997
PAGE 15

MONDAY: SPORTS

Micro Markets *Share price changes since first day's trading.*

Neuer Markt listed companies | Nouveau Marche listed companies

Company	Industry	Current price	No. of shares issued	Price chge. %
Bertrandt AG	*Auto*	70.1 DM	900,000	39.8%
Beta Systems Software AG	*Software*	180	980,000	-16
MobilCom AG	*Telecommunications*	246.5	640,000	159
LHS Group Inc.	*Software*	92.8	4.8 m.	144
Losch Umweltschutz AG	*Waste disposal*	38.5	2.0 m.	43
Mensch und Maschine Software AG	*Software*	134	459,800	123
SALTUS Technology AG	*Engineering*	51.6	800,000	-13.2
SER Systems AG	*Software*	104.5	317,417	.04
Muhl AG	*Building supplier*	34.8	2.176 m.	51.3
Refugium Holding AG	*Service industry*	n/a	1.5 m.	n/a

Company	Industry	Current price	Market cap	Price chge.%*
Alaska	*Jewelery*	122 FF	67 million francs	-21%
Appligene	*Pharmaceutical*	50	67	-67
ATN	*Machine tools*	180	188	87
Belvedere	*Glass bottles*	848	1,237	619
BVRP Software	*Software*	170	237	229
Coli	*Metal treatment*	228	274	-16
Duran Ducol	*Film post-production*	332	215	84
Electronique D2	*Data storage*	886	1,114	104
Eolas	*Software*	197	229	-22
FDM Pharma	*Pharmaceutical*	215	221	10

*Since start of trading on Nouveau Marche

Company	Industry	Current price	Market cap	Price chge.%*
Genset	*Biotech*	972 FF	3,022	79
Guyanor	*Gold, diamond exploration*	13.50	306	73
High Co.	*Marketing*	150	184	36
IDP	*Multimedia*	79	102	19
IGE XAO	*Software*	38	67	-24
Infonie	*On-line services*	95.5	115	-79
Jolitz-Regol	*Insurance*	46	58	-20
La tete dans les nuages	*Video arcades*	139	409	13
Lectibook	*Pocket electronics*	259	244	39
Mille amis	*Pet stores*	59.9	164	16
Natureo	*Perfume, vegetable oils*	80	103	3.7
Olitec	*Modems*	1,249	715	294
Omnicard	*Telecom services*	245	450	12
Oxis International	*Biotech*	41	100	60
Picogiga	*Semiconductors*	230	302	94
Proxidis	*Hair salons*	19.95	43	74
R21 Sante	*Controller systems*	230	285	115
Serp Recyclage	*Recycling*	2202	255	26
Stelax	*Metal treatment*	8.15	178	12
Thermotech	*Heating systems*	215	163	65
Titus	*Video games*	170	157	3

*Since start of trading on Neuer Markt

Sources: Neuer Markt; Nouveau Marche

International Herald Tribune

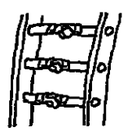
Tired of Blue Chips? Try European Small-Market Network's Spicy Blend

By Barbara Wall

ONE-STOP VIRTUAL shopping could soon become a reality for investors seeking high-growth companies in Europe, as a network of secondary stock markets specializing in fast-growing companies is gradually spreading over a hungry continent.

So far, the participants include the Nouveau Marche in Paris, Euro NM Belgium in Brussels, NMAX (short for Nieuwe Markt) in Amsterdam and Germany's Neuer Markt. The objective of Euro NM, the name for the new overall network, is to harmonize rules and regulations for its members with a view to later electronic integration.

"Each member of an exchange belonging to Euro NM has access to the whole network," said Clive Pedder, a spokesman for Neuer Markt. "The benefits of common membership will be greatly enhanced when a common data feed is established, providing investors with one single point of access to the market conditions of any listed company on any of the four exchanges."



Mr. Pedder said that the common data feed, which is to be supplied by Reuters, should be in place later this year. By mid-1998, when electronic trading links between members will be established, investors will have access to a single virtual market. Stockbrokers will be able to consult one screen instead of four for price quotes and company information, and after an investment decision has been made, brokers will be able to execute the trade immediately.

For many private investors, Euro NM will mean lower dealing costs. Instead of paying two sets of dealing charges, private investors will only have to pay once. Moreover, investors who have access to the Internet may soon be able to dispense with business advice and do company research themselves.

The Neuer Markt has already set up a Web site that provides comprehensive details of 10 companies listed on the national exchange. A spokesman said the site would soon offer close-to-real-time price quotes. Similar sites are planned for the other exchanges.

The Euro NM network is not, however, for the faint-hearted. The majority of the listed companies are relatively unknown. Many have not been in business long and do not expect to show a profit for several years.

Nevertheless, said Robert Thys, a spokesman for Euro NM Belgium, the small-companies network appeals to both private and institutional investors.

"The evidence available to us shows that a significant proportion of trades on the member exchanges are being made on behalf of private clients," he said. "The general consensus of opinion is that investors in Europe are tired of poor returns from deposit-based savings and are looking to spice up their portfolios with something different. Euro NM offers highly profitable and visible investment opportunities with diversifiable risks."

One characteristic of this market, he added, was the transparency that listed companies offered investors. Ongoing requirements for issuers include the publication of annual and quarterly reports, he said.

The vast majority of investors are expected to be in Europe.

"We would like to see more interest from the United States, but U.S. investors have an extensive smaller companies market in Nasdaq, which, incidentally, shares some stock listings with Euro NM," Mr. Thys said. "As far as Asian investors are concerned, a number of Japanese banks and trading houses are members of exchanges belonging to Euro NM, so it is possible that we will see an increase in interest from this quarter."

Euro NM hopes to attract about 90 new companies each year. There are now 47 companies listed on the four segments of the network. More than a third of them are listed on the Nouveau Marche, the first of the four Euro NM markets to be established, in January 1996. The overall performance of stocks on France's secondary market has been fairly volatile since trading began.

"By and large the companies that have sought a listing on the Nouveau Marche have been start-ups or small companies with a limited trading history," said Justin Thomson, a London-based fund manager with Lichtenstein Global Trust Asset Management. "The vast majority of companies have come to the market with high expectations, but have subsequently been dumped or ignored by analysts."

Mr. Thomson said that only two companies, Belvedere, which designs and manufactures unusually shaped bottles for the distilled-spirits industry, and Genset, which carries out genetic research, had acquired a significant institutional following.

Of the 31 companies currently listed on the French small-companies market, 17 have gained on their opening price. The two top-performing stocks have been Belvedere and Olitec, a developer and producer of modems and communications software. Belvedere's share price has increased by a staggering 619 percent since the stock began trading in January, while Olitec's has soared 294 percent since Dec. 17, 1996.

But there also have been several spectacular failures. Proxidis, a company that develops and operates hair salons, has seen its share price plummet 74 percent since it went public in May 1996. Guyanor Resources, a mining company in French Guyana, and High Co., an operational marketing company, have suffered similar fates.

The 10 stocks listed on the Neuer Markt, which opened on March 10, have all gained on their opening prices. Mr. Thomson said the companies listed on the Neuer Markt were "generally more mature" than those on the Nouveau Marche. This is "largely due to cultural factors," he said, adding that this "may, in part, explain their less volatile performance, although it is still early days."

There are only two companies listed on Euro NM Belgium: International Brachytherapy, a biotechnology firm, and Synergia SA, a finance and management-restructuring enterprise that buys underperforming companies and tries to make them profitable. The performances of both have been unremarkable.

In Amsterdam, NMAX started trading in May, but only four companies have are listed. They include two computer software companies, an engineering concern and an enterprise that manufactures cow-milking machines for the dairy industry.

Euro NM faces stiff competition from Easdaq, a centralized small-company market in Brussels, and the Alternative Investment Market, or AIM, which is based in Britain.

A Euro NM spokesman said that a decentralized approach was necessary to give the maximum benefit to both companies and investors. He said that most companies "would prefer to seek a listing in their domestic markets for legal, tax and cultural reasons."

Mr. Thomson called Euro NM "an ambitious project" and said its success would ultimately depend on the "ability of the member exchanges to find a common ground in terms of listing requirements and accountancy standards."

"This is by no means assured," he added. "The markets are also very disparate in terms of the type of companies they seek to attract."

One analyst, who asked not to be identified, said he was concerned about the quality of some of the companies listed on the Euro NM network.

"One would expect to find companies in the high technology and biotechnology sectors listed on a smaller-companies market," he said, "but the Nouveau Marche has a very peculiar assortment of stocks. As well as high-tech and biotech stocks, we see hairdressing salons, mining companies and service enterprises."

He added, "Concern has been voiced that many of these companies may view Euro NM as an easy route to a public listing, which defeats the whole purpose of a secondary market."

For further information:

• CONSULT the Neuer Markt Web site at http://www.neuer-markt.de

Beyond N.Y., Regional Rising Stars

By Aline Sullivan

WHEN ONE THINKS of equity investing in the United States, the New York Stock Exchange automatically comes to mind. Most investors, of course, are also familiar with Nasdaq and with Amex, the American Stock Exchange.

But surprisingly few know that a growing proportion of equity trading is now done on one of the five regional American exchanges.

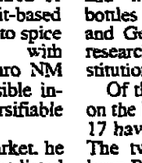
Not being tuned in to the Boston, Chicago, Pacific and Philadelphia stock exchanges is understandable: their heydays are long over. In the early part of this century, for example, trading volumes in Boston rivaled those in any stock market. But it now takes several months for Boston volume to reach what the NYSE can handle in just a single bullish day.

Together, these four secondary American exchanges account for just 12.4 percent of the average daily volume of listed U.S. stocks, or slightly more than Nasdaq's 10.3 percent. The Cincinnati Stock Exchange, which has no trading floor and has therefore never been well known, accounts for a further 2.8 percent of average daily volumes. That leaves the NYSE with 74.4 percent of the total.

But the small exchanges are fighting back. Most have more than doubled their trading volumes since the early 1980s, thanks in part to spillover from the recent bull market but also to greater efficiency and service. Taken together, while certainly not a sizable threat to the NYSE, they form an increasingly irritating thorn in its side, for reasons that make them well worth investigating.

Price improvement is the big selling point. Investors, or rather their brokers, have long shopped the various exchanges looking for the greatest spread (the difference between the bid and offer prices) on a single stock.

But in recent years this process has become far more efficient. The Intermarket Trading System, or ITS, is an electronic linkage network that allows a broker to access current prices at all markets in the National Market System, which includes the NYSE and Nasdaq as well as the five regional exchanges. Stocks listed for trading on any of these exchanges can be traded on the others.



"Securities firms, regardless of size or location, can compete effectively for the business of the individual investor," said the Boston Stock Exchange in a recent publication.

"Enhanced competition among brokers, whether full-service or discount, adds up to better prices and better service for investors," the exchange added.

It also allows the smaller stock exchanges, which can often offer superior prices for certain stocks thanks to local trading by specialist brokers, to handle more of the business.

THE BOSTON exchange, or BSE, and the Philadelphia, Chicago and Pacific exchanges established a common standard for price improvement. But each exchange insists that its practice is the most generous.

For example, Chicago, which claims to offer the only automated price-improvement program, immediately provides the best price on spreads of a quarter of a point or more. In many cases, it suspends orders for as long as 30 seconds and in some cases for as long as five minutes, allowing the trading specialist to enter an improved price.

The other perks of trading away from New York are harder to quantify. The smaller exchanges all claim to offer the most sophisticated order-entry and execution services available. They are exploring links with electronic communication networks such as Instinet Corp., which allow institutions to avoid middlemen by trading directly among themselves.

What the exchanges can't offer is much in the way of unusual issues. These seemingly regional exchanges are, in fact, national. Few of the companies listed exclusively on any of them are based in the bourse's geographic region.

"It used to work that way," said Morrison Shafroth at the San Francisco office of the Pacific Exchange, which is the product of the 1956 merger of the Los Angeles and San Francisco Stock Exchanges. "Clorox, Chevron, Bank of America and Wells Fargo went public here," he said. "But electronic technology has changed all that."

Today, only a fraction of the 200 or so stocks available exclusively on the Pacific and Boston exchanges are local products. Chicago and Philadelphia have even fewer. Instead, companies from all over the world apply to these exchanges because they want more than the bulletin board of Nasdaq but are not ready to qualify for Amex and are certainly not ready for the New York Stock Exchange.

All told, exclusive listings account for just 5 percent of the business at the Boston and Pacific exchanges and are negligible at the others.

For further information:

• BOSTON Stock Exchange is reachable by telephone at 617 723 9500 or by e-mail at info@bsx.com

• CHICAGO Stock Exchange: 312 663 2222; marketing@chicagostocket.com, and http://www.chicagostock-ex.com

• PACIFIC Stock Exchange: 415 393 4000 or 213 977 4501, pcemfs@aol.com.

• PHILADELPHIA Stock Exchange: 215 496 5000; info@phlx.com; http://www.phlx.com.

baerwatch

Insights for investors from the worldwide research of Julius Baer

EMU and your wealth – problem or opportunity?

A large majority of investors believe that European Monetary Union will start as planned in January 1999. Before, during, and after its implementation, the euro will have a profound impact on the investment marketplace worldwide.

With a punctual launch of EMU, investors face a number of uncertainties: First, the number and identity of the countries that will be initially accepted for EMU membership. Although this will be unknown until spring 1998, we are of the opinion that there will not be a small union of hard currencies, but a merger of a larger group of currencies which in the longer term could expand to countries not yet in the EU.

Second, the determination of the fixed exchange rates between national currencies and the euro. In practice, setting these rates will be the task of the governments and the European Commission during the run-up to EMU.

Third, the effect of EMU on international forex markets, e.g. the US dollar, sterling, Swiss franc. The principal aim of the European Central Bank will be to ensure long-term price stability. We believe that the ECB will achieve this goal and that the euro will create a currency bloc rivaling that of the U.S. in size and providing a crucial counterweight to it. Moreover, after a transitional period, the euro will be used as a reserve currency to a far greater extent than the D-Mark now.

"The euro can be a dynamic force for Europe's future."

From our quarterly "euro-monitor"

Equities, Bonds, and the Euro

EMU will accelerate deregulation, competition and emphasis on shareholder value that have supported stock market performance. Thus a greater exposure to equities is likely to be implemented in the future. For fixed income investors, the absence of exchange rate risk and the expectation that interest rates should remain rather low in comparison to previous business cycles will reduce the typical opportunities of capital diversification. Resulting alternatives: take on more risk with euro bonds or expand investments into non-euro bonds.

In view of the uncertainties surrounding EMU at present, there are obviously no patent solutions for an optimal investment strategy. Since the objectives and time horizons of each investor are different, an individually structured portfolio is a must to balance risk and opportunity.

Want to know more about EMU and its implications for investors? Or discuss an asset management relationship with the Julius Baer Group? Just call Audrey W. Lo. Telephone (+852) 2877 3328. Or visit us on Internet: http://www.juliusbaer.com

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September 5, 1997

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If Excess Puts
In Montreal, th
Projects for 200

THE MONEY REPORT

If Excess Puts a Chill on This Boom, Be Ready for the End of the Run

BULL MARKETS, and economic booms, tend to *end for* reasons we least expect. For example, investors lately have been obsessed with inflation. But what if the threat *is inflation's* opposite — not rising, but flat or even falling, prices?

Inflation pushes up interest rates, pulling investors into bonds *from* stocks and driving down profits by pinching consumers and increasing corporate expenses. But deflation, or its milder cousin disinflation, can be just as pernicious. It can lead to lower revenues, lower earnings, unemployment and recession.

Amid the euphoria of this bull market, a few smart people are worrying about deflation. Lately, evidence is beginning to show that they may have a point.

If you find the deflation scenario convincing, the best move, by far, is to buy long-term U.S. Treasury *securities*. In deflation, interest rates fall since fears of higher prices vanish and the economy is so languid that hardly anyone wants to borrow money. *Currently*, the 30-year Treasury bond pays 6.6 percent interest, up from 6.3 percent a month ago. If you own such a bond when rates drop to, say, 5.0 percent, *then* you can either sell at a huge profit or hold onto a bond that will be paying what will seem a hefty yield.

Forbes magazine *recently reported* that "a credible source" is saying that "Warren Buffett is buying zero-coupon long-term Treasury bonds on a *large scale*." Mr. Buffett, of course, is one of the best-known and most successful investors of our day. Zero-coupon bonds (which are sold at a big discount to their face value but pay no interest) are what you buy if you think long-term rates will plummet.

What about your stock portfolio? Stock prices, under this plot, will almost certainly fall, but that doesn't mean you should cash in your chips.

Barton Biggs, *the chief of global* strategy for Morgan Stanley Dean Witter, has been talking about what he calls "the ice scenario" for many months *now. He's referring* to the Robert Frost poem, "Fire and Ice," which begins, "Some say the world will end in fire/ Some say in ice."

Mr. Biggs believes that while most people think that fire (inflation) is what destroys markets, ice, as Frost put it, "Is also great/And would suffice."

Writes Mr. Biggs: "Ice is loss of pricing power and a world where prices are as likely to go down as up. Ice is an erosion of profits. Ice is excess capacity. *Ice is developing countries with* low-cost factories and huge new labor forces. Ice is creative price destruction."

What he's saying, in less poetic language, is that the great danger that economies and markets face today is too much stuff — a supply shock, a glut. Companies, in their enthusiasm to invest in new factories and larger in-

JAMES GLASSMAN *ON INVESTING*

ventories (often at the encouragement *of their governments), overexpand.* They have to unload their goods, thus driving down prices. Their revenues stagnate or fall; their profits decline or turn to losses.

The loss of pricing power is evident throughout the American economy, where producer prices have dropped for seven straight months. But the phenomenon is especially virulent in Asia.

Moreover, we have a currency crisis in Southeast Asia that has led to devaluations and stocks down 55 percent in Thailand, 50 percent in Malaysia, 35 percent in Indonesia.

"*One thing is for sure,*" *writes Mr.* Biggs. "With Europe and Asia now depreciating their currencies versus the dollar, somewhere out there the United States is going to experience growth and unemployment problems."

His conclusion: "I think stocks are dangerous here, and I still like U.S. Treasury bonds and bills best of all."

What should small investors do? First, despite Mr. Biggs, don't sell your *stocks. You should own shares for the* long haul only (seven years plus), and, if there is a correction or even a tough bear market, history indicates that you *should be able to ride it out and end up* with more than you started.

At any rate, even if the ice scenario sounds logical, it is only a guess — not a reason to abandon a long-term strategic plan. Market timing (trying to determine exactly when stocks will rise or fall) *is a very risky pursuit.*

Still, if you find this icy tale even halfway convincing, you should:

- Make sure you have enough Treasury bonds in your portfolio and *enough cash* (*i.e.*, money-market funds, bank CDs or T-bills). If you are going to retire in, say, five years, you should be keeping about half your portfolio in financial assets other than stocks.

Zero-coupon bonds, which you have to buy through a broker, are especially *attractive. If you put up* $3,000 *today*, you can buy bonds that are guaranteed to pay off at $10,000 in the year 2026. (Of course, you can sell them earlier, *though the price is not guaranteed.)* Beware, however, that phantom interest (6.7 percent in this case) on zeroes is taxable each year.

- Consider small-company stocks. They should suffer less — or perhaps not at all — if export markets dry up. Bob Carlson's Retirement Watch recommends these small-cap funds: Third Avenue Value, Acorn Fund and Baron Asset. Better yet, find your own and hold them.

- Search for businesses that can survive troubled times. "Companies that can grow earnings and dividends in an ice age should be prized," says Mr. Biggs. "In the 1950s *and early* 1960s, with a stable price level, slow steady growth sold at 40 times earnings."

What are those businesses? Look for firms with unique products or franchises. The problem is that many of them — Microsoft Corp. and Gillette Co. come to mind — seem expensive already.

- Buy value. The best way to protect against a decline in the stock market is *to own stocks that aren't already in the* stratosphere — that is, value stocks. Value has made a comeback in recent months, and some of the best-performing *mutual funds have bargain-hunting* managers.

One of those is Legg Mason Value Trust, which has finished in the top 20 percent of its peer group for the past three years. The fund, run by Bill Miller, has returned a remarkable 38.2 percent so far this year (through Sept. 3), compared with 23.7 percent for the average growth fund and 22.4 percent for the Dow Jones Industrial Average.

What's appealing about this strategy — bonds, small-caps, value — is that it will work just fine even if the market keeps going up forever.

Washington Post Service

In Montreal, the Politics of Being No. 2

By Ann Brocklehurst

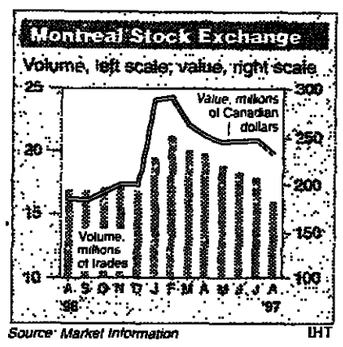
THE SURVIVAL of Montreal's stock exchange *seems* assured by the fact that it is an important symbol for both sides in the debate over Quebec's independence.

When too much money leaves Montreal for Canada's financial capital, Toronto, it is seen as giving ammunition to the cause of Quebec separatism. Yet separatists pushing for an independent Quebec also want to see business done in Montreal, since it gives the impression of a city capable of handling its own financial transactions.

Montreal used to have a stock exchange on a par with Toronto's, but as *financial power began to shift westward* in the 1950s, the Montreal Exchange was forced to adjust to a secondary role. Compared to the Toronto Stock Exchange, where the total value traded in 1996 was 301 billion Canadian dollars ($218 billion), Montreal's stock market registered trade of 50 billion dollars, up 30 percent from a year earlier.

Among the secondary Canadian stock exchanges, Montreal is somewhat lacking in distinguishing characteristics beyond being No. 2 to Toronto. It is not a narrow-focus market like Calgary, which specializes in oil- and gas-company issues. And unlike the Vancouver Stock Exchange, whose reputation has been tainted somewhat by scandals involving mining stocks, Montreal's image is squeaky clean. The worst that can be said of most of the junior mining stocks listed in Montreal is that they are illiquid and trade only infrequently.

While 354 of the 576 companies listed in Montreal are also available in Toronto, political considerations make it necessary *for many brokers and institutions* to retain a presence in Montreal. The Toronto-based investment house Griffiths McBurney & Partners, for example, opened its Montreal *office in* February 1996, just a year and a half after the people of the French-speaking



Source: Market Information IHT

province voted narrowly to keep Quebec *a part of Canada. It was a time when* many investors were expressing uncertainty about the political situation.

"There are about 25 large, sophisticated pools of money in Quebec, and most of the investment community doesn't like to see money go down the highway to Toronto," said John MacDougall, a partner in the firm. "We felt it was important to be in Montreal to represent this part of the market."

Institutional investors buying in Montreal are primarily interested in Canadian blue chips that are Montreal-based, but even shares in these companies trade far more actively in Toronto. For example, the telephone and telecommunications giant BCE Inc. had a traded value of 1.7 billion dollars in Montreal in 1996, compared to 8.9 billion dollars in Toronto, while the Bank of Montreal had a traded value of 1.1 billion dollars in Montreal against 7.0 billion dollars in Toronto.

More regionally based stocks, such as the gold mining company Cambior Inc. and the Quebec supermarket chain Metro-Richelieu Inc., are the ones that tend to trade more heavily in Montreal than in Toronto.

One of the biggest forces on the Montreal market is the Quebec government's giant pension fund, the Caisse de Depot et Placement du Quebec, *which has assets of 57.2 billion dollars.*

"Every time there's a big block traded, everyone speculates it's the Caisse," said Mr. MacDougall.

The fund holds stakes of more than 10 percent in 30 Canadian companies, more than half of which are based in Quebec.

*Among the Quebec-based stocks cur*rently being recommended by Christine Decarie, vice president of the Montreal money-management firm Montrusco and Associates Inc., is the coffee vendor and distributor A.L. Van Houtte Ltee.

"It's always been an interesting story, and I think they have real potential in the growing office market for single-cup coffee," she said. Van Houtte's machines, which are coin-operated, produce brewed coffee by the cup, a concept that is becoming increasingly popular in the U.S. office market, Ms. Decarie said. She also recommended the long-distance telephone provider Fonorola Inc., which she sees as a growing force in the North American market.

Montreal companies are well represented in the top 10 holdings of the Fidelity Canadian Growth Company Fund, and include the packaged-vacation provider Transat A.T. Inc., Metro-Richelieu Inc. and the Quebec television chain Tele-Metropole Inc.

The Montreal Exchange also deals in futures contracts, such as Ten-Year Government of Canada Bond Futures and Three-Month Canadian Bankers Acceptance futures. Despite the success of these two contracts in Canada, the relative level of trading activity remains substantially lower than that in similar contracts traded in many other industrialized countries.

According to a study by Louis Gagnon, a market researcher at Queen's University in Kingston, Ontario, there is "strong counter evidence to the widely held view that the Montreal market is redundant given the accessibility of U.S. instruments and the high correlation between Canadian and U.S. bond markets."

He concluded that Montreal's derivatives market had the potential to reach 10 times its current size if institutions wishing to control their exposure to Canadian interest-rate risk used the Montreal Exchange's instruments rather than the Chicago Mercantile Exchange's *Eurodollar time-deposit futures* and the Chicago Board of Trade's U.S. Treasury Note and Treasury Bond futures.

BRIEFCASE

Treasury Investing Revamped by U.S.

The U.S. Treasury Department has announced several measures to make it easier and less expensive for small investors to buy and sell government securities.

Most significantly, the Treasury said that its bills, bonds and notes could now be bought simply by debiting a bank account and could be sold without going through a bank or broker.

In upgrading its 11-year-old system called Treasury Direct, which holds the accounts of 825,000 investors, the department said it was adding to the appeal of the government's securities while paring costs of administration.

"It is a breakthrough," John Hawke, undersecretary of the Treasury for domestic finance, said in an interview. The new measures, which took effect Thursday, immediately after the department's announcement, "relieve some of the inconvenience and hassle in the present program," Mr. Hawke said. He added that the measures avoided the need for those *selling securities before they* mature to maintain a brokerage account.

Treasury Direct customers, 85 percent of whom are 55 or older, now may pay for new securities by authorizing the department to debit their bank account for the exact amount on the day the security is issued. Until now, investors had to pay for their securities when ordering them several days before issue.

The new system means they will not lose interest and can eliminate a time-consuming trip to the bank for a certified or cashier's check.

It also means the government will not have to provide refund checks for the many investors who must now, in advance of a sale of the securities, send in more money than proves necessary when the bidding for that issue ends. Investors can get more information about the Treasury Direct program on the Web site: www.publicdebt.treas.gov. *(NYT)*

Romania T-Bills Near for Foreigners

Even as a new decision in Romania takes effect this week allowing foreigners to buy government treasury bills, officials say more work is needed before such purchases actually can be finalized.

The government decree says foreigners will be allowed to buy Romanian government bills as portfolio investments under the nation's foreign investment law adopted in June.

Still, additional rules must be adopted to establish the exact legal framework that will allow foreigners to invest in Romanian bills, trade them *and repatriate profits, according* to government officials and traders.

"There are certain regulations that we're now working on, together with the central bank, in order to quickly establish the final framework to allow foreigners to invest in our state T-bill market," said a senior Ministry of Finance official.

The final regulations probably "will be completed in about a month from now," said a spokesman for the National Bank of Romania. *(Bloomberg)*

For Salomon, Nike Still Just Does It

Despite some negative publicity surrounding what some critics — notably the comic strip Doonesbury — have suggested are less-than-ideal working conditions in its factories in Asia, Nike Inc. is not suffering in the minds of stock analysts.

Shares in the footwear and apparel company got a "strong buy" recommendation *from Salomon Brothers* in its latest publication on global equity research.

Salomon says that Nike is "misvalued" as one of the world's premier consumer brands and that it has become a "global icon" by virtue of its growth from a running-shoe company into major player in apparel, sports equipment and entertainment. Salomon sees the brand that Michael Jordan helped transform into a household name as a long-term outperformer *of the U.S. market.*

Nike shares were trading Friday at $55, down 37.5 cents. *(IHT)*

Mixed Outlook For French Stocks

French stocks are expected to be mixed in coming days as investors reshuffle portfolios to favor companies expected to benefit from an economic recovery.

"Growth stocks will be *sold for cyclicals like Saint* Gobain SA, Lafarge SA, Schneider SA and Legrand SA," said Jerome Poirel, fund manager at the Credit du Nord unit Etoile Gestion, which manages $8 billion.

On Friday, France's benchmark CAC 40 Index fell 2.48 points, or 0.8 percent, to 2924.51. For the week, it rose 154.02 points, or 5.56 percent. The CAC has dropped 4.9 percent since reaching a high of 3075.67 on July 31. *(Bloomberg)*

Projects for 2005 Expo Fuel a Rally on Nagoya's Exchange

By Miki Tanikawa

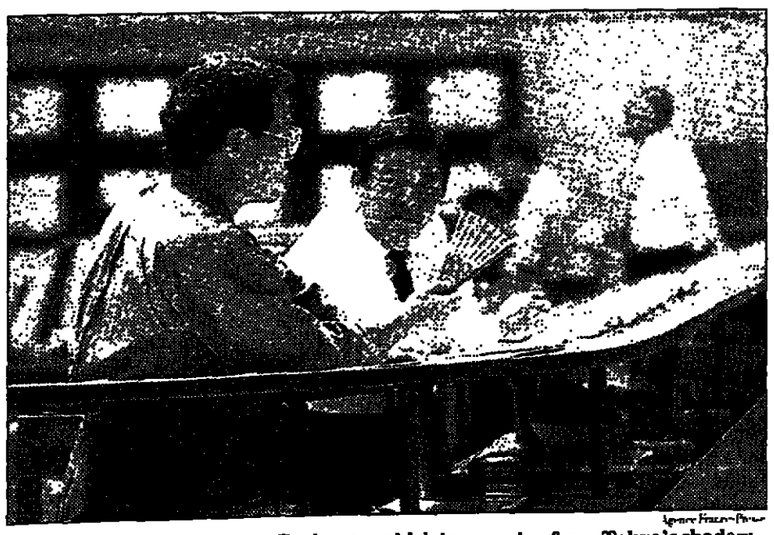
DESPITE its claim to be the third-largest urban center in Japan, the city of Nagoya has little of the luster and dynamism for which Tokyo, about 300 kilometers (185 miles) to the northeast, is known. Nor does Nagoya's stock exchange compare with its more illustrious big brother in the Japanese capital.

Nagoya accounts for only 4 percent of Japan's share trading, in value terms, while the Tokyo Stock Exchange accounts for 80 percent.

But ever since June 12, when the Paris-based Bureau Internationale des Expositions voted at its general assembly in Monaco to organize a world exposition *in neighboring* Seto in 2005, speculative money anticipating the possible impact on local equities has drifted into a group of Nagoya-listed stocks, ranging from general contractors to railroad companies. The stocks have become known as "expo brands."

Many construction-related equities rose markedly in the several weeks following the June 12 announcement. Shares in Tokura Construction Co. and Yahagi Construction Co., for example, each shot up 36 percent. Dai Nippon Construction gained 20 percent, while Ibiden Co. advanced 30 percent.

Investors also picked up on companies with land holdings in Seto and Tokoname, a nearby coastal city. Shares in Janis Ltd., a Tokoname-based maker of ceramic products, and Kyoritsu Ceramic Mate-



Agence France-Presse

Traders at the Nagoya Stock Exchange, which is emerging from Tokyo's shadow.

rials Co., based in Seto, rose 52 percent and 23 percent, respectively.

The exposition, which will be funded by the Japanese government, regional contributions and some private-sector money, is expected to cost up to 150 billion yen ($1.23 billion) and bring an estimated 3 trillion yen in revenue into the region, according to the Yamaichi Research Institute.

In addition to the expo, the area is preparing itself for the beginning of construction on a new regional Chubu International Airport, which has a tentative *completion date* of 2005. Two new highways that will flow into Nagoya and a rail spur linking Japan's high-speed trains to the region are also in the planning stage.

The Nagoya-based Tokai Bank estimates that total expenditures for the construction projects in the region will exceed 17 trillion yen.

"This is an extraordinary amount of investment," said Natsuki Takagi, chief economist at Tokai Bank. Mr. Takagi forecast that the exposition and related projects would boost the regional gross domestic product by 0.9 percent annually beginning in 1998, resulting in an annual GDP of 95 trillion yen by the year 2015. Without the projects, the GDP would have been an estimated 77 trillion yen.

While the slew of investments should result in blue economic skies for the region *as a whole, some* equity analysts are cautious to give specific recommendations on which shares look the most attractive. They say that few details, at this stage, are final, such as the exact size and cost of each project, how much commitment will be made by the private sector, who will be *the administrator of each* initiative and how much of each project will be awarded to which companies.

These questions, they add, must be answered before any meaningful equity picks can *be made.*

Indeed, reflecting the speculative nature of the money that poured into the Nagoya exchange after the June 12 announcement, the market's rally soon lost steam, sending most stocks down nearly to their previous levels.

But Yukio Takekawa, a manager at Daiwa Securities in Nagoya, said that the expo brand stocks might rise again as details of the projects are released.

The market will receive a fresh review in December, Mr. Takekawa added, when the federal government announces the outline of its 1998 budget.

The Yamaichi Research Institute suggests taking a mid- to long-term approach on selected Nagoya stocks. It said that likely beneficiaries of the construction projects would be Yahagi Construction, Nagoya Railroad Co., Kawasaki Setsubi Kogyo Co., Meiko Construction Co., Takigami Steel Construction Co. and Tokura Construction.

Of these Nagoya-listed stocks, liquidity-conscious investors are advised to consider Yahagi Construction and Nayoga Railroad, both of which are also listed on the Tokyo Stock Exchange, the research institute said.

While most Chubu construction companies stand a chance of prospering under a building spree, many analysts assume that Tokura Construction will win a major engineering contract for work on the international airport, which is to be built on reclaimed land near Tokoname. The mid-sized contractor, analysts said, was the only company in the region with credentials in harbor works, and the political climate made it unlikely that the local corporation would not be invited to participate in a major local project.

Tokura Construction, like many of its peers in Nagoya, has few problem assets of the sort that burden many large contractors, analysts said. It has also posted record profits for the past three years.

Mr. Takagi of Tokai Bank said that most companies in Chubu had suffered relatively little from the collapse of Japan's bubble economy in the early 1990s because they had not gone along with the asset-inflation craze. Because of local cultural values, "Nagoyans have a very austere approach to things," Mr. Takagi said.

Investment in companies listed on the Nagoya exchange is available through international brokers.

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WORLD ROUNDUP

Russian Strikes Gold

GYMNASTICS Svetlana Khorkina of Russia won the gold medal Friday in the women's all-around event at the world gymnastics championships in Lausanne, Switzerland. Khorkina scored 38.636 points, finishing ahead of Simona Amanar of Romania, who had 38.587 points. Elena Produnova, a fellow Russian, was third with 38.549 points. *(AFP)*

Rookie Leads in Montreal

GOLF Robert Damron, a rookie in search of his first PGA Tour victory, fired a 5-under-par 65 to take a one-shot lead after the first round of the Canadian Open. Greg Norman, Payne Stewart, Jim Furyk and Gabriel Hjerstedt were tied at 4-under 66 at the Royal Montreal Golf Club in Ile Bizard, Quebec. *(AFP)*

• Scott Henderson took a one-stroke lead Friday over Gary Orr in the second round of the European Masters in Crans-sur-Sierre, Switzerland. *(Reuters)*

Auburn Beats Virginia

FOOTBALL No. 16 Auburn opened the season Thursday night against Virginia in Charlottesville and won, 28-17. Auburn scored three TDs in the second half. *(AP)*

Springboks Fire Coach

RUGBY Carel du Plessis was fired Friday after just five months as coach of the South African rugby union team. The South African Rugby Football Union announced its decision shortly after du Plessis appeared before the group to answer for the Springbok team's dismal record this season. *(AFP)*

Anderlecht Admits Bribe

The Belgian club Anderlecht admitted Friday having paid one million francs ($27,000) to the referee of its 1984 UEFA Cup semifinal against England's Nottingham Forest. *(Reuters)*

• Branco scored the tie-breaking goal in the 38th minute as the New York-New Jersey MetroStars beat the Los Angeles Galaxy, 3-1, on Thursday night in Major League Soccer. *(AP)*

Chang, Last U.S. Hope, And Rafter in Semifinal

No. 13 Seed Can't Believe His Good Luck

By Robin Finn
New York Times Service

NEW YORK — He had hardly figured out how to swing a racket before his father taught him that Roy Emerson, Rod Laver and John Newcombe were the only gods worth emulating. When he became old enough to put a halo around a role model of his own choosing, he opted for the slapdash Pat Cash.

No wonder Patrick Rafter, the lucky 13th-seeded player at the U.S. Open, has served and volleyed himself to within two victories of a Grand Slam title.

Of course, it's not the right Open — Rafter would rather be making his breakthrough back home in Melbourne at the Australian Open — but the 24-year-old opportunist has nimbly adjusted to the novelty of finding himself in his first U.S. Open semifinal.

"At this stage, it's hard for me to do a lot wrong," Rafter said Thursday after a 7-6 (7-4), 6-4, 6-2 quarterfinal victory against Magnus Larsson of Sweden that was almost as brisk as the wind that waxed and waned inside Arthur Ashe Stadium. "Everything seems to be falling into place for no particular reason," Rafter said.

The Australian will face Michael Chang, the second-seeded player and now this year's favorite, in a semifinal Saturday. The American, who rallied in five sets in his previous match to get this far, defeated Marcelo Rios of Chile, the 10th seed, 7-5, 6-2, 4-6, 4-6, 6-3, in a night match.

"Oh, man, I was so stressed," Chang said. "Marcelo was such a talented player. I knew it would be a tough match. It was an unbelievable match. It could have gone either way."

This time, Chang did what his fourth-round opponent, Cedric Pioline of France, could not do Tuesday: the American saved two break points as he served for the match. Chang, still looking for another Grand Slam to go with his 1989 French Open title, was in the U.S. Open semifinal last year as well — his third Grand Slam semifinal in his career.

It took Rafter, whose classic serve-and-volley athleticism conjured up memories of Stefan Edberg, an hour less than Chang — 1 hour 49 minutes — to advance to the second Grand Slam semifinal in his career. The outing would have been briefer had his apparent ace on his first match point not been called a fault.

The call made both players laugh, and an incredulous Rafter performed a spontaneous sitdown strike on the baseline before getting back to business. Three match points later, a sure-fire service caromed off Larsson's racquet frame and blew out of bounds.

"He was playing big points better the first two sets, and the final set, I had no chance at all, nothing more to do," said Larsson, who's ranked 30th.

The Swede wasn't effective enough with his passing shots to keep Rafter from looming up at the net — he showed up there 103 times — and controlling the direction of the match from close range.

Though Rafter is six Grand Slam titles short of being in Edberg's class, Larsson said there were similarities between the retired Swede and the late-blooming Australian: "He's really athletic, moves well at net; it's hard to pass him. He's picking up his baseline game a little better every year, and he's going to improve even more. He's going to be a real danger."

Perhaps at this Open, where Chang and Rafter were the only seeded players left Thursday night, Rafter already presents a real danger.

Though his record against Chang is 2-5, he won their most recent meeting two weeks ago on hard courts at the Hamlet Cup quarterfinals on Long Island.

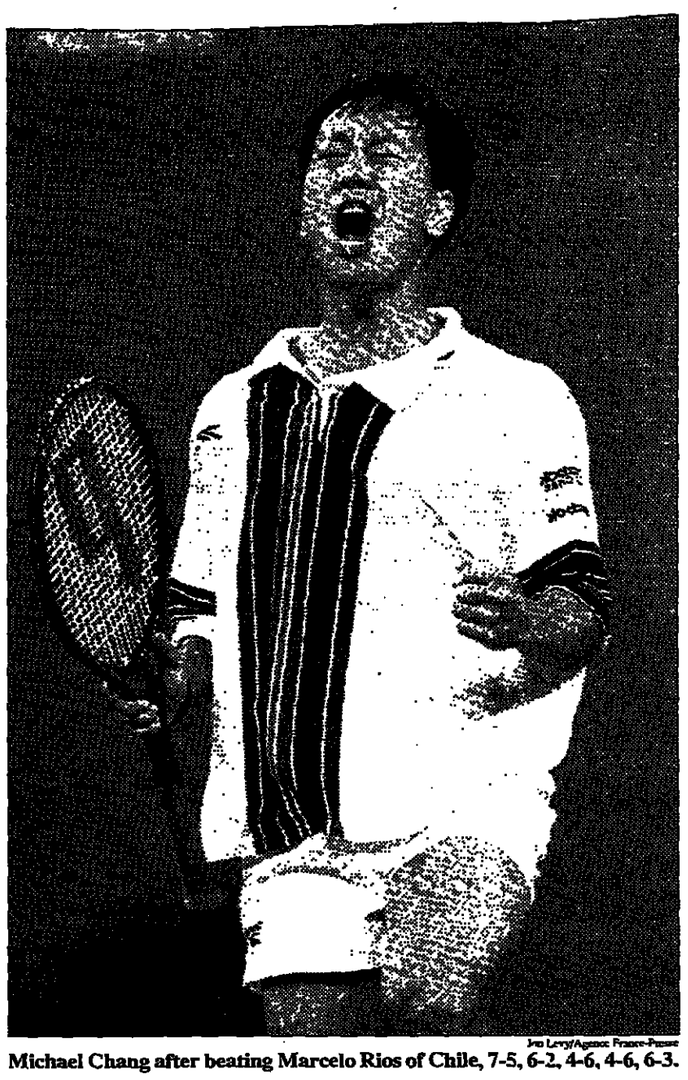
"It's a good matchup," said Rafter, who prefers the underdog's role. "His game is a return-of-service sort of game, and mine is that I'm going to attack him at all opportunities. It makes for some fun tennis," he added.

Rafter is navigating this streak at the Open without the guidance of a coach or an agent, usually ubiquitous figures in the entourages of on-the-cusp top 10 players like him.

Rafter fired his coach, John Fitzgerald, this summer and is relying on advice from his Davis Cup bosses — his father's idol, Newcombe, who won the Open in 1973, and Tony Roche, the runner-up to Laver in 1969.

Since Rafter not only managed to work his way into a semifinal this year at the French Open, a place where the clay courts were not as conducive to a net-hangers like him, but also he gave Sergi Bruguera, the two-time French Open champion, a ton of trouble in their four-set match, he regards this campaign as a chance to improve upon the progress he made in Paris.

"It's not a novelty like it was at the French Open to be in the semifinals," said Rafter, who has reached five finals in 1997 and, much to his bewilderment, won none. What he needs to maintain, he said, is "a bit more belief in myself that I can win instead of hanging in there and getting close."



Jon Levy/Agence France-Presse
Michael Chang after beating Marcelo Rios of Chile, 7-5, 6-2, 4-6, 4-6, 6-3.

■ Hingis Reaches Final

Martina Hingis will play for her third Grand Slam title of 1997 on Sunday after beating sixth-seeded Lindsay Davenport, 6-2, 6-4, on Friday in one hour and 11 minutes, Agence France-Presse reported.

The 16-year-old reigning champion of Wimbledon and the Australian Open will face either Irina Spirlea of Romania or Venus Williams of the United States.

• In the final of the men's doubles Friday, Yevgeni Kafelnikov of Russia and Daniel Vacek of the Czech Republic beat Jonas Bjorkman and Nicklas Kulti of Sweden, 7-6 (10-8), 6-3. *(AP)*

Terms Set For the Sale Of Dodgers To Murdoch

By Richard Sandomir
New York Times Service

Peter O'Malley has reached an agreement in principle to sell the Los Angeles Dodgers to Fox Group, putting one of baseball's most prestigious and successful franchises into Rupert Murdoch's global business empire.

A price was not disclosed, but the O'Malley family business is expected to sell for about $350 million. It features the major-league team, Dodger Stadium and land, the Dodgertown spring training facility and minor-league team in Vero Beach, Florida, and a baseball complex in the Dominican Republic.

The sale must be approved by three quarters of National League owners and a majority of American League owners.

The vote by the Atlanta Braves, owned by Time Warner, may be interesting because Ted Turner, Time Warner's vice chairman, has been a business competitor and in a verbal war with Mr. Murdoch for years.

Some other National League owners are reportedly against Mr. Murdoch's purchase of the team, so the possibility exists that he could have trouble getting the required votes in the league.

Tribune Co., which owns the Chicago Cubs, also competes with Mr. Murdoch in the communication industry.

The Dodgers, the last traditional family-owned franchise, have belonged to the O'Malleys for 47 years. The passing of the team from old-line family ownership to a corporate media giant is emblematic of the course that sports ownership has taken in recent years.

For example, the Dodger deal brings full-fledged corporatization to baseball in Southern California. The Walt Disney Co. controls the Anaheim Angels through its 25 percent investment.

Peter O'Malley and his sister, Terry Seidler, put the team up for sale in January, citing a need for estate tax planning. Mr. O'Malley was also disenchanted with the city's rejection of his plan to build a football stadium next to Dodger Stadium to house a National Football League franchise. Mr. O'Malley also felt removed from the ruling center of baseball that his father, Walter, once dominated.

The Dodgers are a major strategic asset for Fox. The team already provides programming for Fox Sports West, the local cable sports channel half-owned by Fox. And owning the team means never losing the crucial TV rights to the team's games to a competitor.

Fox also carries Dodger games through its national broadcast network deal.

Although the Dodgers have always tried to be a contender, often successfully, they have never spent outrageously on salaries. But Fox will want a superior product for its programming, so the team may venture into the George Steinbrenner area of lavish spending.

Mr. Murdoch has always believed that there are four types of successful global programming — sports, children's programming, news and entertainment, specifically movies.

In recent years, he has added significantly to his sports programming, not only through the national baseball contract but an expensive deal for National Football League games and a less costly deal with the National Hockey League.

The addition of the Dodgers significantly enhances that portfolio.

GAMES: *Athens Gets the Nod*

Continued from Page 1

an bid, the society wife of a millionaire and, more important, a trained lawyer herself. Yes, she admitted to the IOC, her city's previous attempt at winning the Olympics had failed because of the mistaken belief that its Olympic heritage would magically solve its problems.

The IOC had always sympathetically hoped that Athens would take a more honest look in its own mirror.

This issue of Greek stubbornness gave Angelopoulos something to attack, point by point, giving her arguments a strong-willed coherence that the other 55-minute presentations lacked. If as many as half of the 107 IOC delegates were still undecided, as was suggested Friday morning, she clearly won them over by proving professionally and with minimal ballyhoo that plans to build a new airport, metro and highway — among other projects — would permit Athens to stage a first-class Olympics.

Running in the backdrop of her speech were hints and memories of the Olympic heritage that might regenerate the spiritual base that the IOC has tended to take for granted in this commercial era.

Unknown to the IOC members, who were voting by secret ballot and didn't know which city was receiving the most support, Athens won 32 votes in the first round compared with 23 for Rome. Buenos Aires, which was bidding for a fourth time, and Cape Town, representing the first formal African bid to hold the Olympics, were joint last. In a secondary ballot to break their tie Buenos Aires was knocked out by 62-44.

The Argentine supporters spread their votes fairly equally among Athens (38), Rome (28) and Cape Town (22) as Stockholm fell out in the second round. The news that Swedish police had captured the alleged Stockholm terrorist, which the Stockholm organizers announced dramatically during their presentation Friday morning, apparently had no effect on the IOC.

After Cape Town went out with 20 votes in the third round, 14 of those votes went in support of Athens in the final round. "Now I can speak about it," Angelopoulos said. "I met yesterday with President Mandela. He promised me that if Cape Town was not in the draw to the end, he will support Athens."

AFP
Athens' booster: Gianna Angelopoulos-Daskalaki.

"The first winner was Athens, the second winner was Mandela," said Ottavio Cinquanta, an IOC member from Italy. Mandela obviously believed his favor would be returned. "I think the host of the 2008 Olympics will be South Africa," said Mario Pescante, head of the Italian National Olympic Committee.

Not even Mandela's short, noble speech could catch the mood of the day.

The IOC can put up with only so much talk about social truths and responsibilities. It also wants results. When the envelope was torn open and the vote announced by the IOC president, Juan Antonio Samaranch, at the end of a half-hour live TV special beamed around the world, the Greek organizers in the theater audience realized with screams of joy that they, like their Olympics, had joined the modern world.

■ Bomb Suspect Held

Swedish police arrested a 26-year-old suspect in two bomb blasts aimed against Stockholm's bid for the 2004 Olympics, The Associated Press reported.

The police declined to name him, but Swedish tabloids Friday identified him as Mats Hinze, a member of an extreme right group, Frihetsfronten (Freedom Front).

The suspect was arrested late Thursday as he tried to blow up a statue being used as the symbol for Stockholm's candidacy. Last month, bombs destroyed large parts of the Olympic Stadium in Stockholm and the Ullevi Stadium in Gothenburg.

The man was arrested with nine pounds of explosives in his knapsack, only 18 feet from the statue, the Expressen, an evening newspaper, said.

'My Engine Is the Same,' Armstrong Insists

By Samuel Abt
International Herald Tribune

PARIS — After a year away from bicycle racing while he recuperated from testicular cancer, Lance Armstrong has decided that he feels healthy and motivated enough to try to make his comeback next season.

"My doctors are extremely optimistic and they expect a full recovery," said the star American rider, who will turn 26 this month and who underwent two major operations and four weeklong rounds of chemotherapy. "They're so optimistic, it kind of changed things for me. I'd never seen that with them. Before that, they were very hesitant, very cautious what they said to me.

"Before, I thought there was a chance it would come back," he continued, referring to the cancer that had spread to his lungs and brain. "I was scared. I had absolutely no security."

But, he said late Thursday in a conference call from a bicycle show in Anaheim, California, in his most recent check-up, his doctor told him that "death is totally out of the question, out of the scenario."

So, asked if he was ready to race again, he replied quickly, "Yes, I am. My engine is the same, my endurance, my heart, my lungs are the same. It's just a question of how much I lost in a year off."

A big problem, he admitted, is that he does not have a team for next season. "I have to be part of a team and right now I'm not. Cofidis has given up on me."

A nominal leader of the Cofidis team, based in France, he had a two-year contract through 1998 but it was renegotiated when he became sick.

"If I did not race this year, they had the option to drop me," he said. "They think I'm finished. That's great, I love that."

Does he think he is finished? "I think I'm finished with my vacation," he said.

In a conversation earlier this week, Armstrong revealed that he had offered Cofidis this proposal for next year: He would train at no pay and then compete at a minimum salary, with bonuses for strong performances. "If I started winning again, they would have to pay me my value again," he said. "They turned it down."

His agent is talking with other European teams, Armstrong said, admitting that most teams have already set their rosters for next year. He said he did not want to ride for a team with many leaders or a team that competes only in the United States.

An obvious choice is the U.S. Postal Service team, which races a full European schedule and which includes riders and officials who have known him throughout his five-year professional career. Armstrong said he had talked with the team and doubted it was interested. "Probably not," he said. "They think I'm damaged goods."

They might, but does he?

"I'm just not sure. I'm very curious about whether I can compete at the highest level again," said Armstrong, who was world road-race champion at 21 and has won two stages in the Tour de France in addition to a World Cup classic.

"That's part of the reason I want to come back, to see if I can do it.

"It also would be great for the cancer community," he continued. "The perception is that once you get cancer, you're never the same afterward. I'd like to prove that wrong."

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	86	51	.628	—
New York	79	59	.572	7½
Boston	67	73	.479	20½
Detroit	66	73	.475	21
Toronto	65	74	.468	22
CENTRAL DIVISION				
Cleveland	72	63	.533	—
Milwaukee	70	68	.507	3½
Chicago	69	70	.496	5
Kansas City	57	80	.416	16
Minnesota	57	81	.413	16½
WEST DIVISION				
Seattle	77	63	.550	—
Anaheim	74	66	.529	3
Texas	67	73	.479	10
Oakland	54	86	.386	23

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	87	53	.621	—
Florida	83	55	.601	3
New York	76	62	.551	10
Montreal	70	69	.504	16½
Philadelphia	54	82	.397	31
CENTRAL DIVISION				
Houston	72	68	.514	—
Pittsburgh	69	72	.489	3½
St. Louis	65	74	.468	6½
Cincinnati	62	76	.449	9
Chicago	57	83	.407	15
WEST DIVISION				
Los Angeles	78	62	.557	—
San Francisco	76	64	.543	2
Colorado	70	70	.500	8
San Diego	66	75	.468	12½

THURSDAY'S LINESCORES

AMERICAN LEAGUE

Texas 103 010 100—6 9 0
Toronto 001 000 001—2 7 3
Helling, Bailes (9) and I. Rodriguez; Carpenter, Dasi (6), Almanzar (9) and B. Santiago. W—Helling 2-1. L—Carpenter 1-7. HR—Toronto, B. Santiago (11).

Anaheim 010 120 000 00—4 5 2
Detroit 000 010 020 01—5 9 1
11 innings

K.Hill, Haltz (8), James (8), Percival (10), P. Harris (11) and Kreuter; A. Encarnacion (9), S.Sanders, Duran (8), Brocail (9), M.Myers (10), To.Jones (11) and Jensen. Casanova (10). W—To.Jones 3-3. L—P. Harris 2-4. HRs—Anaheim, Salmon 2 (28). Detroit, To.Clark (30).

Baltimore 002 000 201—5 14 0
New York 011 000 000—2 8 1
Krivda, Te.Mathews (7), Rhodes (7), Orosco (8), Ra.Myers (9) and Webster; D.Wells, Nelson (7), Lloyd (8), Boehringer (9) and Girardi. W—Krivda 3-0. L—D. Wells 14-9. Sv—Ra.Myers (41). HR—Baltimore, Hammonds (19).

Seattle 040 021 110—9 17 1
Minnesota 100 040 100—6 8 1
Claude, Ayala (6), Timlin (8), Charlton (8), Slocumb (9) and Da.Wilson; Hawkins, Swindell (6), Serafini (8), Guardado (8), Ritchie (8) and Steinbach. W—Claude 2-2. L—Hawkins 5-10. Sv—Slocumb (22). HRs—Seattle, Griffey Jr 2 (48), Sorrento (27), Gates (3). Minnesota, Molitor (10).

Oakland 303 000 000 000—6 10 0
Kansas City 000 000 402 001—7 11 1
12 innings

Haynes, Taylor (7), Mahler (7), T. J.Mathews (8), Groom (9), Wilasick (9), Wengert (12) and Mayne; Belcher, J. Walker (7), Pichardo (8), J. Montgomery (10), Olson (12) and Macfarlane. W—Olson 2-2. L—Wengert 5-11. HRs—Oakland, Giambi (17). Kansas City, Cooper (3).

NATIONAL LEAGUE

Pittsburgh 000 002 000—2 7 0
Cincinnati 010 400 00x—5 7 0
Lieber, Peters (5), Wallace (7), Christiansen (8) and Kendall; Morgan, Belinda (7), Shaw (9) and J. Oliver. W—Morgan, 6-11. L—Lieber, 9-13. Sv—Shaw (31). HRs—Pittsburgh, Dunston (12). Cincinnati, W. Greene (22), J. Oliver (14), Nunnally (7).

Philadelphia 010 103 001—6 8 0
Montreal 103 000 000—4 10 0
Beech, Gomes (6), Karp (7), Spradlin (7), Battaglia (9) and Estalella; P.J. Martinez, Telford (9) and Fletcher. W—Beech, 4-8. L—P. J. Martinez 16-7. Sv—Battaglia (27). HRs—Philadelphia, Bragna (17), Estalella 3 (3). Montreal, Lansing (18), V. Guerrero (10), Segui (17).

Houston 502 001 320—14 17 2
San Francisco 000 000 020—2 7 2
Hampton, J. Cabrera (6) and Ausmus; Gardner, Rapp (1), C. Bailey (6), Poole (8), D. Henry (9) and B. Johnson, Berryhill (8). W—Hampton 12-9. L—Gardner 12-8. HRs—Houston, Biggio (21), Gutierrez (3).

Atlanta 022 012 000 01—8 17 2
San Diego 300 300 100 00—7 11 1
11 innings

Millwood, Clontz (5), C. Fox (6), Embree (6), Cather (7), Lightenberg (9), Wohlers (10) and J. Lopez; P.Smith, Bergman (6), D.Veras (7), Hoffman (9), Ti.Worrell (11) and Flaherty, C. Hernandez (8). W—Wohlers 5-5. L—Ti.Worrell 3-8. HRs—Atlanta, A. Jones (16), Klesko (21). San Diego, Gwynn (17).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yakult	67	44	2	.604	—
Yokohama	60	49	0	.550	6
Hiroshima	57	52	0	.523	9
Hanshin	51	61	1	.455	16½
Chunichi	50	64	1	.439	18½
Yomiuri	49	64	0	.434	19

PACIFIC LEAGUE

	W	L	T	Pct	GB
Seibu	64	45	2	.587	—
Orix	57	46	3	.552	4
Kintetsu	54	57	3	.486	11
Nippon Ham	53	60	1	.469	13
Daiei	51	59	1	.464	13½
Lotte	47	59	2	.443	15½

FRIDAY'S RESULTS

CENTRAL LEAGUE

Hanshin 4, Yokohama 3

PACIFIC LEAGUE

Kintetsu 9, Nippon Ham 2
Seibu 4, Lotte 2

SOCCER

FRENCH FIRST DIVISION

Le Havre 1, Toulouse 1
Marseille 1, Lyon 0

MAJOR LEAGUE SOCCER

New York-New Jersey 3, Los Angeles 1

STANDINGS: Eastern Conference; x-D.C. 48 points; Tampa Bay 39; Columbus 32; New England 29; NY-NJ 28. Western Conference; x-Kansas City 43 points; Colorado 35; Dallas 33; Los Angeles 26; San Jose 24.
x-clinched playoff spot.

TENNIS

U.S. OPEN

THURSDAY'S RESULTS

MEN'S SINGLES

QUARTERFINALS

Patrick Rafter (13), Australia, def. Magnus Larsson, Sweden, 7-6 (7-4), 6-4, 6-2.
Michael Chang (2), U.S., def. Marcelo Rios (10), Chile, 7-5, 6-2, 4-6, 4-6, 6-3.

MEN'S DOUBLES

SEMIFINALS

Jonas Bjorkman and Nicklas Kulti, Sweden (11), def. Wayne Black, Zimbabwe, and Jim Grabb, U.S., 7-5, 7-6 (7-4).

WOMEN'S DOUBLES

SEMIFINALS

Lindsay Davenport, U.S., and Jana Novotna, Czech Republic (3), def. Martina Hingis, Switzerland, and Arantxa Sanchez Vicario, Spain (2), 6-4, 6-2.

FRIDAY'S RESULTS

WOMEN'S SINGLES

SEMIFINALS

Martina Hingis, Switzerland (1), def. Lindsay Davenport U.S. (6), 6-2, 6-4.

WOMEN'S DOUBLES

SEMIFINALS

Gigi Fernandez, U.S., and Natasha Zvereva, Belarus (1), def. Nicole Arendt, U.S., and Manon Bollegraf, Neth. (4), 3-6, 7-6 (7-4), 6-2.

MEN'S DOUBLES

FINAL

Yevgeni Kafelnikov, Rus., and Daniel Vacek, Czech R. (4), def. Jonas Bjorkman and Nicklas Kulti, Sweden (11), 7-6 (10-8), 6-3.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE—Recalled RHP Nerio Rodriguez from Rochester, IL.
MINNESOTA—Acquired RHP Mick Fieldbinder from the Milwaukee to complete Aug. 30 trade for OF Darrin Jackson.
NEW YORK—Recalled RHP Danny Rios from Columbus, IL.
OAKLAND—Optioned RHP Dane Johnson to Edmonton, PCL. Recalled RHP Jay Witasick from Edmonton.
TEXAS—Announced the resignation of Ken Mallory, general manager of Charlotte, FSL.

NATIONAL LEAGUE

SAN FRANCISCO—Recalled C Doug Mirabelli from Salem Keizer, NL.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

DALLAS—Signed G Hubert Davis to 6-year contract.
PHILADELPHIA—Signed F Terry Cummings to 2-year contract.
UTAH—Signed G Nate Erdmann.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

NFL—Fined Chicago LB Bryan Cox and DE John Thierry and Green Bay DL Earl Dotson $5,000 each for fighting, and Bears DT Jim Flanigan, DT Carl Simpson, LB Barry Minter and DE Alonzo Spellman and Packers OG Aaron Taylor, TE Jeff Thomason and C Frank Winters $2,500 each for entering fight area and actively participating in fights, and Packers QB Brett Favre and FB Dorsey Levens $1,000 each for unnecessarily entering fight area in Sept. 1 game. Fined Tampa Bay LB Hardy Nickerson $5,000 for a hit on San Francisco QB Jeff Brohm in Aug. 31 game. Fined New England LB Tedy Bruschi and Todd Collins $7,500 each for hits on San Diego QB Stan Humphries in Aug. 31 game.
SAN FRANCISCO—Signed QB Mike McCoy. Waived C Steve Gordon.
TAMPA BAY—Signed S John Lynch to 4-year contract extension.
TENNESSEE—Signed S Rafael Robinson. Released WR Malcolm Floyd.

HOCKEY

NATIONAL HOCKEY LEAGUE

NEW JERSEY—Signed G Judd Lambert.
NEW YORK ISLANDERS—Agreed to terms with D Scott Lachance and D Doug Houda.
PHILADELPHIA—Signed D Chris Joseph to 1-year contract.
TAMPA BAY—Named Rick Paterson assistant coach. Announced an affiliation agreement with Chesapeake, ECHL.
TORONTO—Re-signed C Brandon Convery to 1-year contract.
VANCOUVER—Added RW Jamie Linden to training camp roster.
WASHINGTON—Traded D Eric Charron to Calgary Flames for future considerations.

THE WEEK AHEAD

SATURDAY, SEPT. 6

ICE HOCKEY, Turku, Finland — IIHF, European Super Cup, TPS Turku vs. Lada Togliatti.
CYCLING, Madrid, Spain — Vuelta de Espana, to Sept. 28.
GOLF, Men: Crans-Sur-Sierre, Switzerland — Canon European Masters, to Sept. 7; Montreal, Canada — Bell Canadian Open, to Sept. 7; Japan PGA Matchplay, to Sept. 7; Bank One Classic (seniors), to Sept. 7; Women: Portland, Oregon — The Safeway LPGA Championship, to Sept. 7; Minamitsru, Japan — Fujisankei Ladies Classic, to Sept. 7.
GYMNASTICS, Lausanne, Switz. — men, women, World Championships, to Sept. 7.
SOCCER, Various sites — World Cup qualifying: Croatia vs. Bosnia-Herzegovina; Slovenia vs. Greece; Switzerland vs. Finland; Azerbaijan vs. Norway; Austria vs. Sweden; Latvia vs. Estonia; Faeroe Islands vs. Czech Republic; Netherlands vs. Belgium; Iceland vs. Ireland; Liechtenstein vs. Romania; Lithuania vs. Macedonia; Germany vs. Portugal; Armenia vs. Albania; South Korea vs. Kazakstan. Cairo, Egypt — Under-17 World Cup, to Sept. 21.
ROWING, Aiguebelette, France — World Championships, to Sept. 8.
TENNIS, New York — U.S. Open Tennis Championships, to Sept. 7.
VOLLEYBALL, Eindhoven, Den Bosch, Netherlands — men, European Championship, to Sept. 14.

SUNDAY, SEPT. 7:

ATHLETICS, Gateshead, England — BUPA Series Final, IAAF Grand Prix (class II).
AUTO RACING, Monza, Italy — Formula One, Italian Grand Prix; Monterey, California — Indy-car, Grand Prix of Monterey.
SOCCER, various sites — World Cup qualifying: Luxembourg vs. Cyprus; Scotland vs. Belarus; United States vs. Costa Rica; Jamaica vs. Canada; Japan vs. Uzbekistan.

MONDAY, SEPT 8

SUMO, Tokyo — Autumn Grand Sumo Tournament, to Aug. 22.
TENNIS, men: Bournemouth, England — Bournemouth Open, to Sept. 14; Marbella, Spain — Marbella Open, to Sept. 14; Tashkent, Uzbekistan — President's Cup, to Sept. 14.
WRESTLING, Wroclaw, Pol. — men, Greco Roman World Championships, to Sept. 13.

TUESDAY, SEPT. 9

No major entries.

WEDNESDAY, SEPT. 10

SOCCER, various sites — World Cup qualifying: Denmark vs. Croatia; Bosnia-Herzegovina vs. Slovenia; England vs. Moldova; Georgia vs. Italy; Hungary vs. Azerbaijan; Norway vs. Switzerland; Belarus vs. Austria; Sweden vs. Latvia; Bulgaria vs. Russia; Slovakia vs. Yugoslavia; San Marino vs. Turkey; Romania vs. Iceland; Lithuania vs. Ireland; Germany vs. Armenia; Albania vs. Northern Ireland; Chile vs. Argentina; Peru vs. Uruguay; Colombia vs. Venezuela; Paraguay vs. Bolivia. International friendly, Brazil vs. Ecuador.

THURSDAY, SEPT. 11

GOLF, men: Paris, France — Lancome Trophy, to Sept. 14; Sutton, Massachusetts — CVS Charity Classic, to Sept 14; Inba, Japan — Suntory Open, to Sept 14. Women: Kent, Washington — SAFECO Classic, to Sept 14; Kanl, Japan — Japan LPGA Championship, to Sept 14.

FRIDAY, SEPT. 12

CYCLING, Chateau-d'Oex, Switzerland — Mountain Bike World Championships, to Sept. 21.
GOLF, men: Augusta, Missouri — Boone Valley Classic (seniors), to Sept 14.
SOCCER, various sites: — World Cup qualifying: South Korea vs. Uzbekistan; United Arab Emirates vs. Kazakstan.

SATURDAY, SEPT. 13

ATHLETICS, Fukuoka, Japan — men, women, IAAF, Grand Prix Final.
CRICKET, Toronto — exhibition, one-day international, Sahara Cup, India vs. Pakistan. Match 1.
HORSE RACING, Doncaster, England — St. Leger.
SOCCER, Dalian, China — World Cup qualifying: China vs. Iran.

SUNDAY, SEPT. 14

CRICKET, Toronto — exhibition, one-day international, Sahara Cup, India vs. Pakistan. Match 2.
MOTORCYCLE RACING, Barcelona, Spain — Catalunya Grand Prix.
SOCCER, various sites — World Cup qualifying: El Salvador vs. Canada; Saudi Arabia vs. Kuwait; Jamaica vs. Costa Rica.

SPORTS

Minus Rice, the 49ers Have Few Believers

Divisional Battles Start With Rams

By Thomas George
New York Times Service

San Francisco (0-1) vs. St. Louis (1-0) This is the first of seven consecutive divisional games for the 49ers and their first without Jerry Rice, who is lost for the season with a knee injury. Terrell Owens replaces Rice, but can Owens and J.J. Stokes give the 49ers passing game punch that is anywhere close to Rice's? Few think so.

This gives the Rams hopes that they can hound a wounded team while still licking a few wounds of their own in a series where the 49ers have been brutal. *Rams 20, 49ers 17*

Buffalo (1-0) at New York Jets When Vikings' back Robert Smith ran 78 yards for a touchdown through

NFL Matchups

the Buffalo defense, he might have signaled more holes in this team than can be plugged immediately. *Prediction: Jets 28, Bills 13*

Cincinnati (1-0) at Baltimore (0-1) Cincinnati finished with a flourish in its victory over Arizona and now looks to improve to 9-2 under head coach Bruce Coslet. *Bengals 24, Ravens 20*

New England (1-0) at Indianapolis (0-1) Colts quarterback Jim Harbaugh gained flak for taking himself out of the Miami game due to exhaustion and soreness. Captain Comeback quitting? Hardly. Harbaugh and the Colts look to show they are in the AFC East race for the long haul, and there's no better way to do so than against the favored Patriots. *Colts 17, Patriots 16*

Tennessee (1-0) at Miami (1-0) Miami, still trying to build its running game, can look across the field and see how it's done. The Oilers' Eddie George is off and running, fresh from a 216-yard rushing day vs. Oakland. *Dolphins 21, Oilers 7*

Carolina (0-1) at Atlanta (0-1) Dan Reeves watched his Falcons wilt in Detroit last week, committing stupid penalties and comical ones, too. Reeves has intensified practices this week and looks, first, to get his team to execute minus the folly. *Falcons 16, Panthers 14*

Minnesota (1-0) at Chicago (0-1) Raymont Harris is, by far, the best of the Bears' running backs, but the team keeps trying to make Rashaan Salaam the featured guy. This is a mistake. Give Harris more playing time and watch the Bears' offense begin to awaken. *Vikings 19, Bears 17*

Tampa Bay (1-0) at Detroit (1-0) Barry Sanders looks to get on track after rushing for only 33 yards vs. the Falcons. He will find the running lanes narrow against head coach Tony Dungy's revamped defense. But, then, who stops receiver Herman Moore from wrecking the show? *Lions 13, Buccaneers 10*

Washington (1-0) at Pittsburgh (0-1) Washington opened with a win at Carolina and now hits the road again vs. the angry Steelers, who were embarrassed by Dallas. The maturation at starting quarterback continues for Kordell Stewart, who will likely be much more effective later in the season. *Redskins 19, Steelers 17*

San Diego (0-1) vs. New Orleans (0-1) Rookie tight end Freddie Jones, powerful but with soft hands, caught a 44-yard touchdown pass in his debut vs. New England. That was the only bright spot for the Chargers, who were trounced, 41-7. The Saints do not own that sort of explosive weapon, but they can still block and tackle and make better plays than they did in their uninspiring loss at St. Louis. *Saints 16, Chargers 13*

Denver (1-0) at Seattle (0-1) Everyone in Denver was up in arms after quarterback John Elway was hit in the ribs by a Kansas City safety, Jerome Woods, after one of his throws in Denver's 19-3 victory.

[Woods has been fined $7,500 for the late hit. The NFL announced the fine Thursday, but Woods and the Chiefs insisted that the hit was not illegal and planned to appeal, The Associated Press reported.]

After their debacle against the Jets, Seattle has to be puzzled. Denver wants to jump on the Seahawks early and continue the confusion. *Broncos 30, Seahawks 17*

Green Bay (1-0) at Philadelphia (0-1) The Eagles, stunned by the Giants last Sunday, face a team that gives them severe matchup problems. Green Bay thrashed the Eagles last season, and fans can look for more of the same this year. *Packers 28, Eagles 10*

New York Giants (1-0) vs. Jacksonville (1-0) The Giants are flying high after their debut victory over the Eagles, and now they get reacquainted with the team that toppled them in the preseason. But it was the Giants who shuffled the deck against the Jaguars when linebacker Jessie Armstead hit and injured quarterback Mark Brunell. At the time, it looked like disaster for Jacksonville.

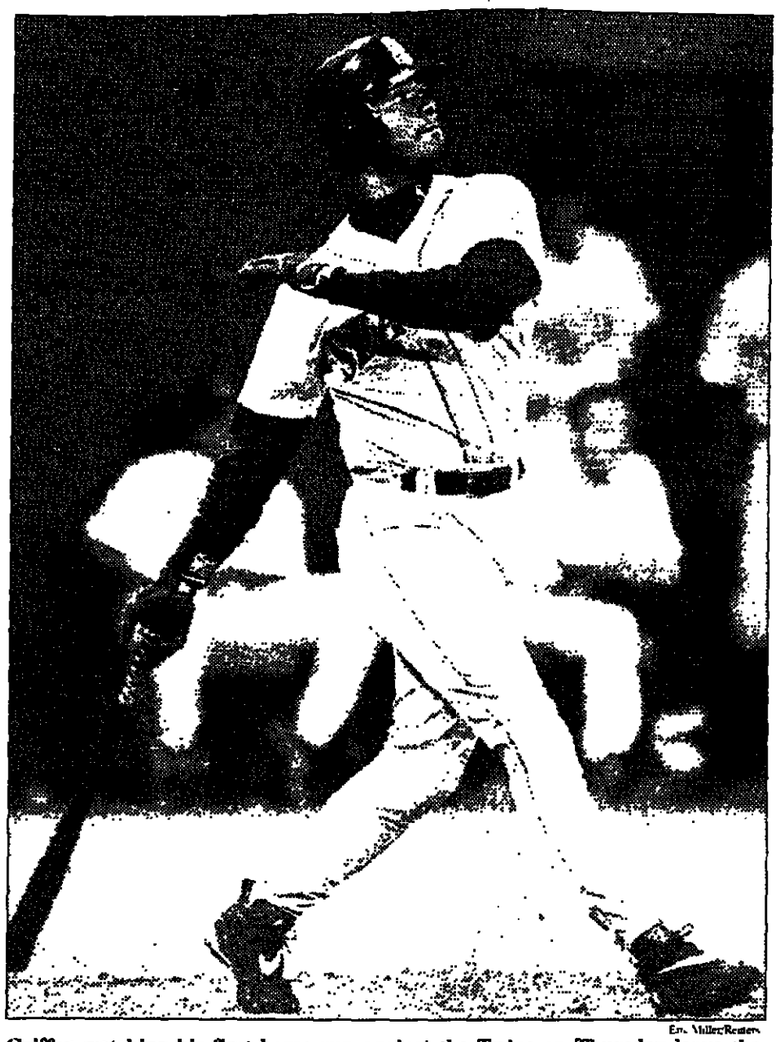
But Rob Johnson has shown that he is a backup quarterback and more. *Jaguars 20, Giants 17*

Dallas (1-0) at Arizona (0-1) "It's too hard in this league to give away one like that: I don't have any magic words." That was Cardinals' coach Vince Tobin after his team fumbled and then allowed a touchdown pass in the finals seconds to lose, 24-21, at Cincinnati. Tobin has no magic formula for Dallas, either, since quarterback Troy Aikman's 3,063 passing yards and 15 touchdown passes are his most versus any team. *Cowboys 23, Cardinals 7*

In the Monday night game:

Kansas City (0-1) at Oakland (0-1) "I thought we were beyond this. If this had happened last year, I wouldn't have been surprised, but I thought things had definitely changed. We've got to throw the deep ball more and not be afraid to take chances. We've got to score points." That was fullback Kimble Anders after he ran the ball up the middle midway through the fourth quarter on second-and-17 in a game the Chiefs were losing by 13 points to Denver.

It was that kind of attack that made the Chiefs' new offense look horrendous in plan and in execution. It will take time for them to get into sync. Time means more than one week. *Raiders 20, Chiefs 10*



Eric Miller/Reuters

Griffey watching his first home run against the Twins on Thursday leave the park. The Mariners lead the majors in homers with 222 — 48 of them by Griffey.

Griffey Hits 2 More, 13 Short of Maris

The Associated Press

Baseball is a lot of fun these days for Ken Griffey — except, of course, when everyone starts talking about Roger Maris.

The Seattle star finds comparisons with the former Yankees' slugger odious, even though Griffey has an outside chance of breaking Maris's single-season home-run record.

Griffey hit his 47th and 48th homers, and came close to hitting

AL Roundup

three more, as the Mariners beat the Minnesota Twins, 9-6, on Thursday night.

"I don't even think about it," Griffey said when asked about surpassing Maris's home run record of 61, set in the 1961 season. "I just go out and swing the bat."

Griffey had his sixth multi-homer game of the season and second in four nights. Griffey, who has 15 homers in his last 29 games, is on a pace to hit 55 homers and needs 14 in the final 22 games to eclipse Maris's mark.

Griffey hit a two-run drive to the right-field upper deck at the Metrodome in the fifth inning and a solo shot to center in the seventh. He also flied out to the warning track in left-center field, to deep right-center and deep center.

Paul Sorrento and Brent Gates also hit two-run homers in a four-run second inning as Seattle won for just the third time in eight games and opened a three-game lead over Anaheim in the AL West.

Rookie Ken Cloude (2-2) won for the first time since Aug. 15. He gave up five runs and four hits in five innings.

LaTroy Hawkins (5-10) gave up three of Seattle's homers.

Orioles 5, Yankees 2 Rick Krivda pitched six effective innings before Baltimore's bullpen took over, and the visiting Orioles remained perfect against New York this year with a victory that increased their AL East edge over New York to 7½ games.

Jeffrey Hammonds hit a tiebreaking sacrifice fly in the seventh and a homer in the ninth as the Orioles, 5-0 against the Yankees, ended a five-game losing streak.

New York has lost four in a row and seven of eight, but still leads Anaheim by six games for the wild-card spot, slight consolation for a team expected to compete with the Orioles for the pennant.

Krivda (3-0), who started the night with a 7.77 ERA, held the Yankees to two runs. Randy Myers pitched a perfect ninth for his major league-leading 41st save in 42 chances.

David Wells (14-9), whom the Orioles dropped over the winter, took the loss.

Tigers 5, Angels 4 In Detroit, Tony Clark hit a game-tying three-run homer in the eighth inning and Bobby Higginson singled in the winning run in the 11th as the Tigers beat Anaheim for their fifth victory in seven games.

Todd Jones (3-3) pitched a hitless 11th for the victory. Pep Harris (2-4) took the loss.

Tim Salmon hit his 27th and 28th homers to help stake the Angels to a 4-0 lead in the fifth. Damion Easley and Higginson led off the eighth with singles off Mike Holtz before Clark hit his 30th homer.

Rangers 6, Blue Jays 2 In Toronto, Rick Helling struck out a career-high 12 in 8⅓ innings as Texas sent Toronto to its seventh successive loss.

Helling (2-1) allowed seven hits and walked one in sending Toronto to its longest losing streak since an eight-game run in 1995.

Benito Santiago chased Helling with a ninth-inning homer, and Scott Bailes finished up.

Rusty Greer drove in three runs, and Tom Goodwin went 3 for 4 with four runs scored as Texas won its third consecutive game.

Cris Carpenter (1-7) took the loss.

Royals 7, Athletics 6 Felix Martinez, making his first major league start, singled off the leg of pitcher Don Wengert to drive in the winning run in the 12th as Kansas City beat visiting Oakland.

The ball hit the lower leg of Wengert (5-11) and bounced toward second baseman Scott Spiezio. Pinch-runner Johnny Damon scored easily from third to complete the comeback from a 6-0 deficit.

Gregg Olson (2-2) pitched the 12th for the victory in the matchup of last-place teams.

Rod Myers hit an RBI double and Chili Davis a game-tying single in the Kansas City ninth to send the game into extra innings.

Estalella Homers 3 Times for Phillies

The Associated Press

Bobby Estalella gave Montreal ace Pedro Martinez fits, and that made things even more difficult for the Philadelphia brass.

The 23-year-old catcher gave the Phillies added reason to protect him in the expansion draft, hitting three homers — two off Martinez — in Philadelphia's 6-4 victory over the Expos on Thursday night.

"I've never done that at any level, Legion ball, high school," said Estalella, who was recalled from the minors Tuesday. "I've hit two before. I can't count how many times. I never thought I'd do it here."

Estalella, who appeared in two games earlier this season, hit a solo homer in the second and a two-run shot in the sixth. He added a solo shot off Anthony Telford in the ninth to become the first rookie in Phillies history to homer three times in a game.

"It's one of the best days I've had in baseball, no doubt," said Estalella, who hit two homers in seven games last season with Philadelphia and had 16 this season for Scranton in the International League.

He is the first rookie to hit three homers in a game since Mickey Brantley did it for Seattle against Cleveland on Sept. 14, 1987.

"That's as impressive as you can get," the Phillies' manager, Terry Francona, said. "I mean, we were laughing in the dugout. It's not supposed to happen that way.

"I hit 16 homers in my career; three was the most in any one year," Francona said. "He did it in an hour and a half. And look who he did it against."

Martinez (16-7) allowed seven hits and five earned runs in eight innings, pushing his major league-leading ERA from 1.63 to 1.78.

"I was trying, but it wasn't my best day," said Martinez, who had 11 strike

NL Roundup

outs. "Estalella was at his best. I have to tip my cap to him and give the guy some credit."

Rico Brogna also homered for Philadelphia, which has won four straight and nine of 11. Matt Beech (4-8) pitched 5⅔ innings for the victory, and Ricky Bottalico worked the ninth for his 27th save.

Montreal's Mike Lansing opened the scoring in the first with his 18th homer, and Vladimir Guerrero and David Segui hit back-to-back home runs in the third to give the Expos a 4-1 lead.

Astros 14, Giants 2 Craig Biggio homered on the game's first pitch and Mike Hampton pitched seven strong innings as Houston routed San Francisco.

Hampton (12-9) allowed two runs and seven hits in seven-plus innings. He also singled, drove in a run with a sacrifice fly and scored a run in the Astros' highest scoring game since June 1996.

The Astros extended their lead over Pittsburgh in the NL Central to 3½ games. The Giants fell two games behind NL West-leading Los Angeles.

Biggio's 21st homer triggered a five-run first that included RBI doubles by Bill Spiers and Tim Bogar, who fractured the ulnar bone in his left forearm when he was hit by a pitch in the third inning.

Ricky Gutierrez had a two-run homer in the third.

The Giants' starter, Mark Gardner (12-8), lasted just two-thirds of an inning, allowing five runs on five hits.

Braves 8, Padres 7 Jeff Blauser went 4-for-5 and hit a sacrifice fly in the 11th inning as Atlanta won at San Diego to open a three-game lead over second-place Florida in the NL East.

Tim Worrell (4-7) loaded the bases by walking Chipper Jones, who stole second and took third on a wild pitch. After walks to Fred McGriff and Javy Lopez, Blauser flied to left.

Mark Wohlers (5-5) pitched two innings for the victory.

Tony Gwynn drove in four runs to raise his career-best RBI total to 110, hitting a three-run homer. Hitless in eight at-bats coming in, Gwynn went 2-for-4 to raise his average to .373.

Ryan Klesko and Andruw Jones homered for the Braves.

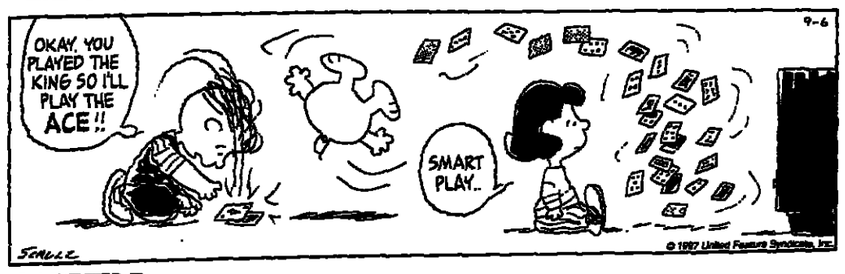
Reds 5, Pirates 2 In Cincinnati, Joe Oliver, Willie Greene and Jon Nunnally homered off Jon Lieber (9-3) as the Reds overpowered Pittsburgh.

Shawon Dunston hit a two-run homer, his third since coming to Pittsburgh in a trade with the Chicago Cubs, but the Pirates wasted three other scoring threats in six innings allowed by Mike Morgan (5-12).

• The St. Louis Cardinals and the Colorado Rockies were rained out in Denver.

DENNIS THE MENACE

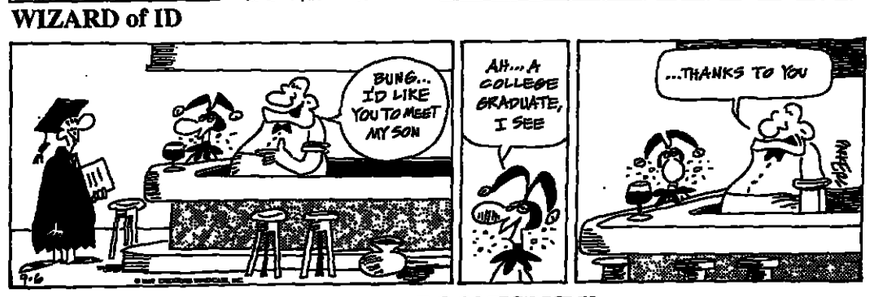
PEANUTS



CALVIN AND HOBBES

GARFIELD

WIZARD of ID



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SABSI

HAARJ

EMORTH

CEADDE

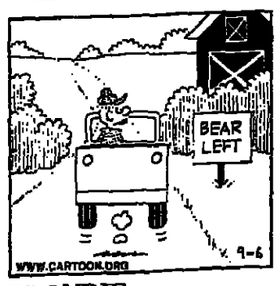
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: _____ !

(Answers Monday)

Yesterday's Jumbles: CRANK ADAPT BOBBIN LAVISH
Answer: What a teenager's hands can become — A HAIR "DONT"

BEETLE BAILEY



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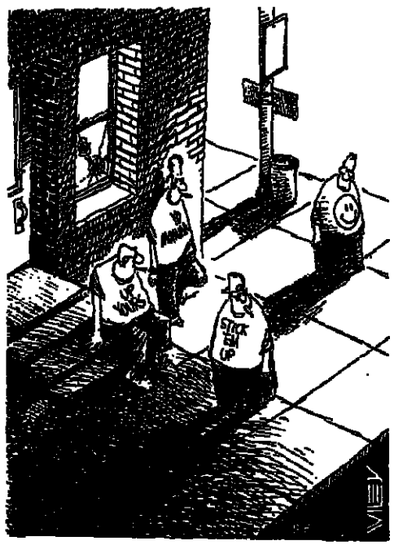

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DAVE BARRY

Knowing What You Like

MIAMI — Like many members of the uncultured, Cheez-It-consuming public, I am not good at grasping modern art. I'm the type of person who will stand in front of a certified modern masterpiece painting that looks, to the layperson, like a big black square, and quietly think: "Maybe the actual painting is on the other side."

I especially have a problem with modernistic sculptures, the kind where you, the layperson, cannot be sure whether you're looking at a work of art or a crashed alien spacecraft.

My definition of a good sculpture is "a sculpture that looks at least vaguely like something." I'm talking about a sculpture like Michelangelo's "David." You look at that, and there is no doubt about what the artist's message is. It is: "Here's a naked man the size of an oil derrick."

It turns out that this was NOT an ugly wad. It was art!

I bring this topic up because of an interesting incident that occurred recently in Miami. When people ask me, "Dave, why do you choose voluntarily to live in Miami?" I answer, "Because interesting incidents are always occurring here." For example, just recently (DIGRESSION ALERT) federal agents here arrested two men on charges of attempting to illegally sell weapons.

"Big deal!" you are saying. "Federal agents in many cities regularly arrest people for illegally selling weapons!"

Right. But these were NUCLEAR weapons. I swear I am not making this up. The two suspects are Lithuanian nationals; they were allegedly working on a deal to sell undercover agents some Russian-made tactical nuclear weapons.

□

Call me a Nervous Nellie, but I am concerned about the sale of nuclear arms in my general neighborhood. I say this because of the popular Miami tradition, which I am also not making up, of celebrating festive occasions by discharging weapons into the air. I am picturing a scenario wherein some Miami guy chugs one too many bottles of Cold Duck at his New Year's party, and when the clock strikes midnight, he staggers over to the closet where he keeps his tactical nuclear weapon — which he told his wife he was buying strictly for personal protection — and he says to himself, "I wonder how THAT baby would sound?!!"

But my point (END OF DIGRESSION ALERT) is that Miami tends to have these interesting incidents, and one of them occurred a little while ago when Dade County purchased an office building from the city of Miami.

The problem was that, squatting in an area that the county wanted to convert into office space, there was a large ugly wad of metal, set into the concrete. So the county sent construction workers with heavy equipment to rip out the wad, which was then going to be destroyed.

But guess what? Correct! It turns out that this was NOT an ugly wad. It was art! Specifically, it was Public Art, defined as "art that is purchased by experts who are not spending their own personal money."

The money of course comes from the taxpayers, who are not allowed to spend this money themselves because (1) they probably wouldn't buy art, and (2) if they did, there is no way they would buy the crashed-spaceship style of art that the experts usually select for them.

The Miami wad is in fact a sculpture by the famous Italian sculptor Pomodoro. (Like most famous artists, he is not referred to by his first name, although I like to think it's "Bud.") This sculpture cost the taxpayers $80,000, which makes it an important work of art.

In dollar terms, it is 3,200 times as important as a painting of dogs playing poker, and more than 5,000 times as important as a velveteen Elvis.

□

Fortunately, before the sculpture was destroyed, the error was discovered, and the Pomodoro was moved to another city office building, where it sits next to the parking garage, providing great pleasure to the many taxpayers who come to admire it.

I am kidding, of course. On the day I went to see it, the sculpture was, like so many pieces of modern taxpayer-purchased public art, being totally ignored by the actual taxpaying public, possibly because it looks — and I say this with all due artistic respect for Bud — like an abandoned air compressor.

So here's what I think: I think there should be a law requiring that all public art be marked with a large sign stating something like: "NOTICE! THIS IS A PIECE OF ART! THE PUBLIC SHOULD ENJOY IT TO THE TUNE OF 80,000 CLAMS!

Also, if there happens to be an abandoned air compressor nearby, it should have a sign that says: "NOTICE! THIS IS NOT ART!" so the public does not waste time enjoying the wrong thing. The public should enjoy what the experts have decided the public should enjoy.

That's the system we use in this country, and we're going to stick with it. At least until the public acquires missiles.

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Don't Cry for Me, Onion Johnnie

International Herald Tribune

MARY BLUME

PARIS — This weekend, a Breton farmer named Jean Leroux will once again leave his hometown of Saint-Pol-de-Leon in Finistere, take the ferry from neighboring Roscoff to Plymouth, and then head for London where, until Christmas, he will be an Onion Johnnie. After the holidays, he will return to London for three more months.

An Onion Johnnie sells strings of tressed onions, and also shallots and garlic, a tradition that began in 1828 when Brittany had a bumper crop and farmers first crossed over to Plymouth to off-load the harvest.

Many of them were, like Leroux, called Jean, and Jean became Johnnie, Leroux explained by telephone from Saint-Pol. "We have many Jeans in the region," he said.

He is the third generation Leroux to be an Onion Johnnie: His grandfather began going to Wales early in this century and was buried there in 1935. Jean, who is 65, started in 1948 and covers London. "Every bit of London. I know it like my pocket."

He is an essential bit of London folklore with his bicycle and beret. He actually keeps a car in London, too, for restaurant deliveries but knows that the bike is more picturesque.

"Oh yes, people are always taking my picture," he says. If eyes well in his presence, it is as much from pleasure as from his product.

While in the old days, competition from other Onion Johnnies limited his beat to certain parts of towns, these days he has London to himself. The few remaining Onion Johnnies — he thinks there are about 15 — go to places like Cardiff or even Scotland. None of them, he says, is young.

What is special about his onions, he says, is that they are natural, growing on remarkably fertile seaweed-fed soil which gives them a pink tinge and a sweet taste. He supplies private customers, especially in Hampstead, Kensington and Chelsea, delicatessens, and many French restaurants, including the top-ranked Gavroche and Tante Claire. Since the restaurants always welcome him with a free meal, he says he eats very well in London.

He also goes to the Portobello Road and Camden Lock antique markets and spends every Saturday around Pimlico Green. Sundays, he rests and goes to Mass and visits friends, many of them English. By now, instead of coffee he drinks tea.

To call Leroux a farmer isn't quite accurate since, spending six months a year abroad, he has no time to farm. He does have a small kitchen garden and he helps out the neighbors who supply his onions.

The weeks before leaving for London he is picking and drying them (they will keep until June), then he rents the first truck that comes along, French or English, and fills it with what he describes as tons of produce which is delivered to him in London. He travels separately and keeps a place in Camberwell where he leaves his clothes and bike.

It would be a lot easier to sell his onions in Paris but he wouldn't dream of it. "*Non, non, non,*" he says. "Just London."

This is partly because of tradition and mostly because he relishes being so much a part of the scenery. At home he is just another farmer, in London he automatically qualifies as a colorful character.

It is important in French rural life to be *connu* or known, and in London he says he is very well known. "I am better known there than in Saint-Pol." When he breaks his London stay by going home for the holidays, his regular customers load him with Christmas presents.

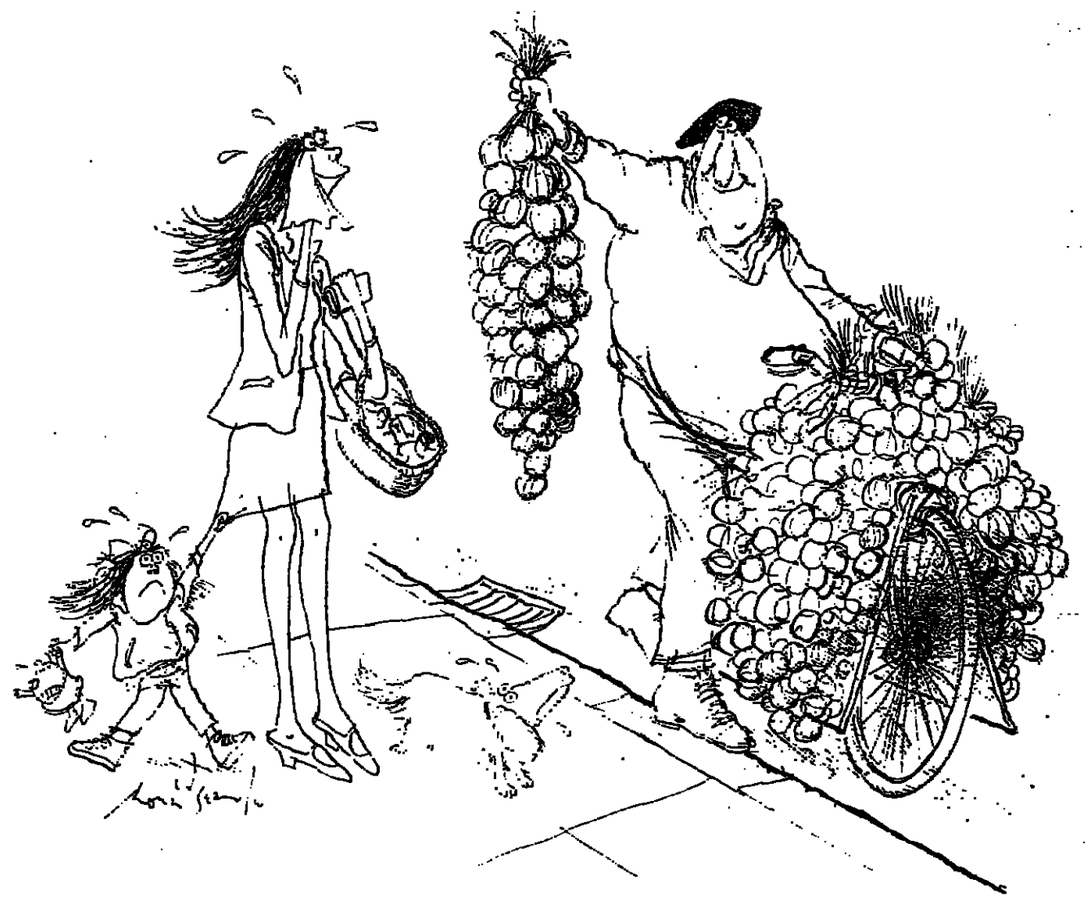
England may not have France's love of onions (the late Waverley Root even discovered a French religious sect with 4,000 members who consider onions immortal, and thus divine), but onions have been popular there since the 13th century and were, with leeks, the most popular vegetables in Elizabethan times.

Today, the Onion Johnnie's appeal is probably more sentimental than gastronomic. For Londoners Leroux represents the most attractive side of France — rural, ruddy, a memory of vacations and pleasures past. Most likely, his tressed onions are used as much to enhance kitchen decors as for the pot, but it doesn't matter and both Leroux and his customers are happy.

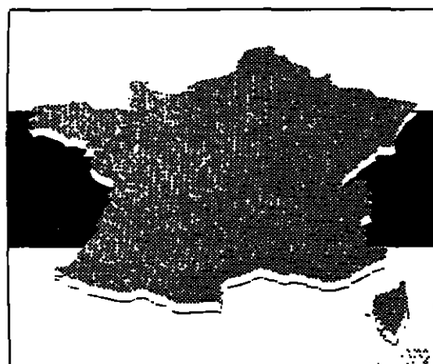
He gets on his bike mornings at 10 and works until about four, no matter what the weather is. It isn't a hard job, he says — "not for me" — and if he catches cold in the British damp onions and garlic are, as everyone knows, a sovereign cure.

Leroux never imagined being anything but an Onion Johnnie. "This is the tradition," he says.

He has no sons but his daughter, a trained nurse, has a boy. Leroux doesn't know whether the lad will follow the family trade. "We'll see," he says. "He'll have to eat a lot of onion soup first."



Harold Searle



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PEOPLE

THE renowned columnist and novelist **Pete Hamill** has been ousted as editor of the New York Daily News after his insistence on slashing coverage of celebrities and pop culture produced repeated clashes with the paper's owner, **Mortimer Zuckerman.** Hamill, who had held the job less than eight months, quit after a meeting at which Hamill refused Zuckerman's request that he continue with reduced authority. Ironically, in light of the media handwringing over the coverage of **Diana,** Zuckerman had chided Hamill for giving short shrift to the princess's $3 million auction of her designer dresses in June. According to a source familiar with the conversation, Zuckerman observed that People magazine had done quite well by putting the princess on the cover 43 times. Hamill replied that he didn't think the housewives of Bensonhurst would be interested in such fare. The move was widely panned in the newsroom, where more than 100 staffers had signed a keep-Pete petition. "People were very, very proud to work with him," the columnist **Jim Dwyer** said of Hamill. "He had this huge gift for language and really knew New York. He was the most charismatic guy I've ever seen in the newsroom." But some staffers say Hamill, 62, was wedded to an outdated vision of New York. One source said Zuckerman, whose previous editor, **Martin Dunn,** was British, had urged Hamill to meet with editors from the National Enquirer and Fleet Street for pointers. "Mort wants to have a sassy, irreverent, street-smart paper," the source said. "The problem is Mort changes his mind every 20 seconds."

□

Manhattan was the Island of Hip for the MTV Video Awards, the celebration where winning a trophy is far less important than looking right. **Madonna** lectured gossipmongers. **Sting** croaked out a contribution to "I'll Be Missing You" and the host, **Chris Rock,** urged fans to "run to church right now" after watching a leather-corseted **Marilyn Manson** at the 14th annual show. The rocker **Beck** won five awards, the night's best haul. The British band **Jamiroquai** won four, including best video for the conveyor belt-aided "Virtual Insanity." The death of **Diana,** while not casting a shadow on the evening, was noted: **The Spice Girls** dedicated their award for "Wannabe" to her and **Elton John** announced that MTV would donate $100,000 to Diana's favorite AIDS charity.

Jason Kay, lead singer of Jamiroquai, and band at the MTV awards.

□

Larry King and his fiancee, **Shawn Southwick,** have postponed their wedding because the talk show host was scheduled to be hospitalized, his publicist said in Los Angeles. The marriage was due to take place Saturday, but the publicist said that King, 63, would be entering hospital Friday and might undergo heart bypass surgery. "Doctors expect a full and prompt recovery," she added. King underwent coronary bypass surgery in December 1987. No new wedding date has been announced. King has been married six times and Southwick, 37, a singer, has been married twice.

□

Jodie Foster will receive the 1997 **Douglas Sirk** Award at the Hamburg Film Festival next week for her achievements as an actress, film director and producer, organizers of the festival announced. The award, named after the Danish-born cult film director, will be presented at the European premiere of **Robert Zemeckis**'s film "Contact," in which Foster plays the lead role. The Douglas Sirk Award went to **Clint Eastwood** in 1995 and to the British director **Stephen Frears** last year. Foster has won the best actress Oscar twice — for the 1989 film "The Accused" and for "The Silence of the Lambs," made in 1991.

Celebrities Turn Tables on Tabloid Editors

Agence France-Presse

WASHINGTON — Jumping in on the tabloid backlash following the death of Diana, Princess of Wales, a trio of Hollywood celebrities will hire private investigators to search for delicate information on the editors of leading scandal sheets, an American syndicated columnist says.

Liz Smith said that the three celebrities, whom she did not identify, planned to turn the tables on The National Enquirer's Steve Coz, The Star's Phil Bunton and The Globe's Tony Frost. The three editors did not return calls.

Smith said that the celebrities were also on the lookout for information about four paparazzi: Phil Ramey, Russell Turiak, Vinnie Zuffante and Alan Zanger.

She said that the celebrities would spend "millions" to uncover whatever dirt may exist about these men's wives, girlfriends, relatives and friends. She did not speculate on what the celebrities would do with any of this information.

Tabloid editors and celebrity photographers are on the defensive this week after the car carrying Diana and her companion, the Egyptian film producer and playboy Dodi al Fayed, tried to outdistance pursuing paparazzi and crashed into a wall.

The crash killed Diana, al Fayed and the driver, Henri Paul. A bodyguard, Trevor Rees-Jones, is hospitalized in intensive care, unable to talk because of his injuries.

Since the accident, a number of celebrities have contacted the news media to vent anger at those who take intrusive pictures. Within hours of the crash, Tom Cruise called CNN to say: "I've actually been in that same tunnel being chased by paparazzi, and they run lights and chase you and harass you the whole time. It happens all over the world."